

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): August 25, 2021

Rocket Lab USA, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39560
(Commission
File Number)

80-0947107
(I.R.S. Employer
Identification No.)

**3881 McGowen Street
Long Beach, CA**
(Address of principal executive offices)

90808
(Zip Code)

(714) 465-5737 (Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	RKLB	The Nasdaq Stock Market LLC
Redeemable warrants, each whole warrant exercisable for one share of common stock, \$0.0001 par value	RKLBW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Domestication and Merger Transactions

As previously announced, Vector Acquisition Corporation, a Cayman Islands exempted company (“Vector”), previously entered into an Agreement and Plan of Merger, dated March 1, 2021, and amended by Amendment No. 1 thereto, dated May 7, 2021 and Amendment No. 2 thereto, dated June 25, 2021 (as it may be further amended, supplemented or otherwise modified from time to time, the “Merger Agreement”), by and among Vector, Rocket Lab USA, Inc., a Delaware corporation (“Rocket Lab”), and Prestige USA Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Rocket Lab.

On August 24, 2021, as contemplated by the Merger Agreement and described in the section titled “*Domestication Proposal*” beginning on page 120 of the final prospectus and definitive proxy statement, dated July 21, 2021 (the “Proxy Statement/Prospectus”) and filed with the Securities and Exchange Commission (the “SEC”), Vector filed a notice of deregistration and necessary accompanying documents with the Cayman Islands Registrar of Companies, and a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, under which Vector was domesticated and continued as a Delaware corporation (the “Domestication”), changing its name to “Vector Acquisition Delaware Corporation” (“Vector Delaware”).

As a result of and upon the effective time of the Domestication, among other things, (i) Vector’s Class A ordinary shares issued and outstanding immediately prior to the Domestication converted into an equal number of shares of Vector Delaware Class A common stock and Vector’s Class B ordinary shares issued and outstanding immediately prior to the Domestication converted into an equal number of shares of Vector Delaware Class B common stock; (ii) Vector’s warrants to purchase Class A ordinary shares issued and outstanding immediately prior to the Domestication converted into an equal number of Vector Delaware warrants and (iii) Vector’s units that were not separated into Class A ordinary shares and warrants issued and outstanding immediately prior to the Domestication converted into an equal number of Vector Delaware units.

On August 25, 2021 following the Domestication, as contemplated by the Merger Agreement and described in the section titled “*Business Combination Proposal*” beginning on page 87 of the Proxy Statement/Prospectus, the parties consummated the merger transactions contemplated by the Merger Agreement, whereby Merger Sub merged with and into Vector Delaware, with the separate corporate existence of Merger Sub ceasing and Vector Delaware being the surviving corporation and a wholly owned subsidiary of Rocket Lab (the “First Merger”) and immediately following the First Merger, Rocket Lab merged with and into Vector Delaware with Vector Delaware being the surviving corporation in the merger (the “Second Merger,” and, together with the First Merger and the Domestication, the “Business Combination”).

Prior to the completion of the Business Combination, Rocket Lab amended and restated its certificate of incorporation, and in connection therewith, (i) each issued and outstanding share of preferred stock, par value \$0.0001 per share, of Rocket Lab converted into Rocket Lab common stock, in accordance with the terms thereof; (ii) each issued and outstanding share of Rocket Lab Common Stock (after giving effect to the conversion contemplated by clause (i)) converted automatically into a number of shares of Rocket Lab common stock equal to the Exchange Ratio, which was 9.059659; and (iii) corresponding adjustments were made to the outstanding options, warrants, restricted stock units and other rights to acquire stock of Rocket Lab.

In the First Merger, Merger Sub merged with and into Vector Delaware, with Vector Delaware surviving the merger as a wholly owned subsidiary of Rocket Lab, and in connection therewith, (i) the shares of Vector Delaware common stock (other than any treasury shares, shares held by Vector Delaware or any dissenting shares) issued and outstanding immediately prior to the effective time of the First Merger (the “First Effective Time”) converted into an equal number of shares of Rocket Lab common stock; (ii) the Vector Delaware warrants that were outstanding and unexercised immediately prior to the First Effective Time converted into an equal number of warrants to purchase Rocket Lab common stock (the “Assumed Warrants”); and (iii) the Vector Delaware units that were outstanding immediately prior to the First Effective Time converted into an equal number of Rocket Lab units (the “Assumed Units”).

Immediately following the First Effective Time, Rocket Lab merged with and into Vector Delaware, with Vector Delaware surviving the merger and being renamed “Rocket Lab USA, Inc.” (“New Rocket Lab”), and in

connection therewith, among other things, (i) the shares of Rocket Lab common stock (other than any treasury shares, shares held by Rocket Lab or dissenting shares) issued and outstanding immediately prior to the effective time of the Second Merger (the “Second Effective Time”) converted into an equal number of shares of common stock, par value \$0.0001 per share, of New Rocket Lab (the “New Rocket Lab Common Stock”); (ii) the Rocket Lab warrants and the Assumed Warrants outstanding and unexercised immediately prior to the Second Effective Time converted into an equal number of warrants to purchase New Rocket Lab Common Stock; and (iii) each Assumed Unit that was outstanding immediately prior to the Second Effective Time automatically converted into a New Rocket Lab unit that, at the closing of the Business Combination (the “Closing”), was cancelled and entitled the holder thereof to one share of New Rocket Lab Common Stock and one-third of one warrant, with each whole warrant representing the right to purchase one share of New Rocket Lab Common Stock.

In addition to the above consideration, if the closing price of New Rocket Lab Common Stock is equal to or greater than \$20.00 for a period of at least 20 trading days out of 30 consecutive trading days during the period commencing on the 90th day following the Closing and ending on the 180th day following the Closing, the holders of Rocket Lab’s equity securities, including options, warrants, restricted stock units and other rights to acquire stock of Rocket Lab (other than pursuant to the First Merger and the Second Merger), immediately prior to the First Effective Time will be entitled to receive an aggregate of 32,150,757 additional shares of New Rocket Lab Common Stock (the “Earnout Shares”), subject, in the case of holders of options, warrants, restricted stock units and other rights to acquire stock of Rocket Lab, to the terms of such options, warrants, restricted stock units and other rights.

PIPE Investment

As previously announced, on March 1, 2021, concurrently with the execution of the Merger Agreement, Vector entered into Subscription Agreements with the certain investors (the “PIPE Investors”) pursuant to which the PIPE Investors have agreed to subscribe for and purchase, and Vector has agreed to issue and sell to the PIPE Investors, an aggregate of 46,700,000 shares of New Rocket Lab Common Stock at a price of \$10.00 per share, for aggregate gross proceeds of \$467,000,000 (the “PIPE Financing”). The PIPE Financing was consummated substantially concurrently with the closing of the Business Combination. Pursuant to the Subscription Agreements, New Rocket Lab is obligated to file a registration statement registering the resale of the shares of New Rocket Lab Common Stock sold in the PIPE Financing within 30 days after the Closing and use its reasonable best efforts to have the registration statement declared effective as soon as practicable thereafter.

Immediately after giving effect to the Business Combination and the PIPE Financing, the following were outstanding: (i) 447,919,591 shares of New Rocket Lab Common Stock, consisting of (a) 362,188,208 shares of New Rocket Lab Common Stock issued to holders of Rocket Lab common stock immediately prior to the First Effective Time, (b) 31,031,383 shares issued to the holders of Vector’s Class A ordinary shares prior to the Domestication, which reflects the redemption of 968,617 Class A ordinary shares with respect to which holders exercised their redemption right, (c) 8,000,000 shares issued to the holders of Vector’s Class B ordinary shares prior to the Domestication, and (d) 46,700,000 shares of New Rocket Lab Common Stock issued in the PIPE Financing; (ii) warrants to purchase 16,266,666 shares of New Rocket Lab Common Stock at an exercise price of \$11.50 per share issued upon conversion of the outstanding Vector warrants prior to the Business Combination; (iii) warrants to purchase 891,380 shares of New Rocket Lab Common Stock attributable to Rocket Lab warrants prior to the Business Combination, which had a weighted average exercise price of approximately \$0.29 per share, (iv) options to purchase 17,961,673 shares of New Rocket Lab Common Stock attributable to Rocket Lab options prior to the Business Combination, which had a weighted average exercise price of \$1.04 per share and 14,253,283 of which were vested, (v) 14,903,639 restricted stock units attributable to restricted stock units of Rocket Lab prior to the Business Combination, including 4,065,304 with respect to which the time-based vesting conditions had been satisfied and (vi) an earnout obligation of Rocket Lab prior to the Business Combination pursuant to which New Rocket Lab may be required to issue up to 1,915,356 shares of New Rocket Lab Common Stock. In addition, the Earnout Shares may become issuable in the future as described above.

Terms used but not defined herein, or for which definitions are not otherwise incorporated by reference herein, shall have the meaning given to such terms in the Proxy Statement/Prospectus and such definitions are incorporated herein by reference. Unless the context otherwise requires, all references to “we”, “us” or “our” refer to New Rocket Lab.

Item 1.01 Entry into a Material Definitive Agreement.

Second Amended and Restated Registration Rights Agreement

On August 25, 2021, in connection with the consummation of the Business Combination and as contemplated by the Merger Agreement, Vector Delaware, Vector Acquisition Partners, L.P. (the “Sponsor”), and certain former stockholders of Rocket Lab, entered into the Second Amended and Restated Registration Rights Agreement pursuant to which, among other things, the Sponsor and other holders party thereto were granted certain registration rights, on the terms and subject to the conditions therein, and agreed to a lockup pursuant to which they will not to transfer their New Rocket Lab Common Stock acquired in the Business Combination for 180 days following the closing of the Business Combination. Pursuant to the Second Amended and Restated Registration Rights Agreement, New Rocket Lab (i.e., Vector Delaware following the Second Merger) has agreed to file a registration statement registering the resale of 341,400,982 shares of New Rocket Lab Common Stock (including shares issuable upon exercise of options or warrants or settlement of restricted stock units) within 45 days after the Closing and use its commercially reasonable efforts to have the registration statement declared effective as soon as practicable thereafter. The Second Amended and Restated Registration Rights Agreement superseded the Registration and Shareholder Rights Agreement, dated as of September 24, 2020, by and among Vector, the Sponsor and certain other holders.

The material terms of the Second Amended and Restated Registration Rights Agreement are described in the section of the Proxy Statement/Prospectus beginning on page 101 under the section entitled “*Business Combination Proposal—Related Agreements.*” Such description is qualified in its entirety by the text of such agreement, which is included as Exhibit 10.2 to this Report and incorporated herein by reference.

Indemnification Agreements

On August 25, 2021, New Rocket Lab entered into indemnification agreements with each of its directors and executive officers. Each indemnification agreement provides for indemnification and advancement by New Rocket Lab of certain expenses and costs relating to claims, suits or proceedings arising from service as an officer, director, employee, agent or fiduciary of Rocket Lab or, at its request, service to other entities to the fullest extent permitted by applicable law. The foregoing description of the indemnification agreements does not purport to be complete and is qualified in its entirety by the terms and conditions of the indemnification agreements, a form of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the “*Introductory Note*” above is incorporated into this Item 2.01 by reference.

FORM 10 INFORMATION

Item 2.01(f) of Form 8-K states that if the predecessor registrant was a “shell company” (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as Vector was immediately before the Business Combination, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. As a result of the consummation of the Business Combination, and as discussed below in Item 5.06 of this Report, Vector has ceased to be a shell company. Accordingly, New Rocket Lab is providing the information below that would be included in a Form 10 if New Rocket Lab were to file a Form 10. Please note that the information provided below relates to New Rocket Lab after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Forward-Looking Statements

Certain statements in this Report may constitute “forward-looking statements” for purposes of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our or our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future. The information included in this Report has been provided by New Rocket Lab and its management, and such forward-looking statements include statements relating to the expectations, hopes, beliefs, intentions or strategies regarding the future of New Rocket Lab and its management team. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking

statements. The words “anticipate,” “believe,” “could,” “expect,” “intends,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this Report are based on current expectations and beliefs concerning future developments and their potential effects on New Rocket Lab. There can be no assurance that future developments affecting New Rocket Lab will be those that New Rocket Lab has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described below. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Some of these risks and uncertainties may in the future be amplified by the COVID-19 outbreak and there may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

- New Rocket Lab’s ability to effectively manage future growth and achieve operational efficiencies;
- changes in the competitive and highly regulated industries in which we plan to operate, variations in operating performance across competitors, changes in laws and regulations affecting our business and changes in the combined capital structure;
- changes in governmental policies, priorities, regulations, mandates or funding for programs in which New Rocket Lab or its customers participate, which could negatively impact our business;
- loss of, or default by, one or more of New Rocket Lab’s key customers or inability of customers to fund contractual commitments, which could result in a decline in future revenues, cancellation of contracted launches or space systems orders or termination or default of existing agreements;
- changes in applicable laws or regulations;
- success in retaining or recruiting, or changes required in, officers, key employees or directors following the completion of the Business Combination, and New Rocket Lab’s ability to attract and retain key personnel, including Peter Beck, New Rocket Lab’s President, Chief Executive Officer and Chairman;
- any inability of New Rocket Lab to operate its Electron Launch Vehicle (“Electron”) at its anticipated launch rate could adversely impact our business, financial condition and results of operations;
- defects in or failure of New Rocket Lab’s products to operate in the expected manner, including any launch failure, which could result in a loss of revenue, impact our business, prospects and profitability, increase our insurance rates and damage our reputation and ability to obtain future customers;
- inability or failure to protect intellectual property;
- disruptions in the supply of key raw materials or components used to produce New Rocket Lab’s products or increases in prices of raw materials;
- fluctuations in foreign exchange rates;
- the ability to implement business plans, forecasts and other expectations after the completion of the proposed Business Combination, and identify and realize additional opportunities;
- the risk of downturns in the commercial launch services, satellite and spacecraft industry;
- New Rocket Lab’s ability to anticipate changes in the markets for rocket launch services, mission services, spacecraft and spacecraft components;
- macroeconomic conditions resulting from the global COVID-19 pandemic;

- the inability to develop and maintain effective internal controls;
- the diversion of management’s attention and consumption of resources as a result of potential acquisitions of other companies and success in integrating and otherwise achieving the benefits of future acquisitions;
- failure to maintain adequate operational and financial resources or raise additional capital or generate sufficient cash flows;
- any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks;
- the effect of the COVID-19 pandemic on the foregoing, including potential delays in the timing of launches due to travel restrictions or other factors impacting travel; and
- other factors detailed under the section entitled “*Risk Factor*,” beginning on page 28 of the Proxy Statement/Prospectus.

Business

Reference is made to the disclosure contained in the Proxy Statement/Prospectus beginning on page 196 in the section entitled “*Information About Rocket Lab*”, which is incorporated herein by reference.

Risk Factors

Reference is made (i) to the disclosure contained in the Proxy Statement/Prospectus beginning on page 28 in the section entitled “*Risk Factors*”, and (ii) to the information set forth in Exhibit 99.1 hereto, each of which are incorporated herein by reference.

Management’s Discussion and Analysis of Financial Condition and Results of Operations

Reference is made to the disclosure contained in the Proxy Statement/Prospectus beginning on page 208 in the section entitled “*Rocket Lab’s Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and to the disclosure contained in Exhibit 99.1 hereto entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” related to the six month periods ended June 30, 2021 and 2020, both of which are incorporated herein by reference.

Quantitative and Qualitative Disclosures about Market Risk

Reference is made to the disclosure contained in the Proxy Statement/Prospectus beginning on page 223 in the section entitled “*Rocket Lab’s Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risk*” and to the disclosure contained in Exhibit 99.1 hereto in the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risk*”, both of which are incorporated herein by reference.

Properties

Reference is made to the disclosure contained in the Proxy Statement/Prospectus beginning on page 203 in the section entitled “*Information About Rocket Lab—Manufacturing, Assembly and Launch Operations*,” and beginning on page 206 in the section entitled “*Information About Rocket Lab—Properties*,” both of which are incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth beneficial ownership of New Rocket Lab Common Stock immediately following the consummation of the Business Combination and the PIPE Financing by:

- each person who is known to be the beneficial owner of more than 5% of shares of New Rocket Lab Common Stock;
- each of New Rocket Lab’s current named executive officers and directors; and
- all current executive officers and directors of New Rocket Lab as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security. Under those rules, beneficial ownership includes securities that the individual or entity has the right to acquire, such as through the exercise of warrants or stock options or the vesting of restricted stock units, within 60 days of the record date. Shares subject to warrants or options that are currently exercisable or exercisable within 60 days of the record date or subject to restricted stock units that vest within 60 days of the record date are considered outstanding and beneficially owned by the person holding such warrants, options or restricted stock units for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, New Rocket Lab believes that all persons named in the table below have sole voting and investment power with respect to the voting securities beneficially owned by them.

Name and Address of Beneficial Owner (1)	Number of Shares	% of Voting Power
<i>Directors and Executive Officers:</i>		
Peter Beck (2)	54,551,250	12.2%
Adam Spice (3)	4,056,575	*
Shaun O'Donnell (4)	1,473,639	*
Matt Ocko (5)	10,132,385	2.3%
David Cowan (6)	—	—
Michael Griffin (7)	—	—
Sven Strohband (8)	—	—
Jon Olson (7)	—	—
Merline Saintil (7)	—	—
Alex Slusky (9)	—	—
All directors and executive officers as a group	70,213,489	15.5%
<i>Five Percent Holders:</i>		
Future Fund Investment Company No. 5 (10)	42,364,939	9.5%
Entities Affiliated with Khosla Ventures (11)	115,004,795	25.7%
Entities Affiliated with Bessemer Venture Partners (12)	81,450,954	18.2%

* Less than 1%

- (1) Unless otherwise noted, the business address of each of the directors and officers is 3881 McGowen Street, Long Beach, CA 90808.
- (2) Represents shares held by Equatorial Trust, which is a family trust established by Peter Beck. Peek Street Equatorial Trustee Limited is sole trustee of Equatorial Trust and Peter Beck, Kerryn Beck and Warren Butler are the directors of Peek Street Equatorial Trustee Limited. Equatorial Trust and Peek Street Equatorial Trustee Limited each possess sole voting and investment power and Peter Beck, Kerryn Beck and Warren Butler each possess shared voting and investment power over the shares held by Equatorial Trust and, accordingly, also have beneficial ownership of such shares.
- (3) Includes 4,056,575 shares of New Rocket Lab Common Stock issuable upon exercise of stock options that would be vested within 60 days of August 25, 2021.
- (4) Includes 1,292,926 shares of New Rocket Lab Common Stock issuable upon exercise of stock options that would be vested within 60 days of August 25, 2021. Excludes shares of New Rocket Lab Common Stock issuable upon settlement of restricted stock units held by Mr. O'Donnell where settlement remains contingent upon satisfaction of a liquidity based vesting condition.

- (5) Matt Ocko, a member of our board of directors, is a partner at DCVC. DCVC's holdings consist of (a) 2,929,350 shares of New Rocket Lab Common Stock issuable in the Business Combination upon the conversion of shares of Rocket Lab stock held by Data Collective IV, L.P., or DCVC IV, and (b) 7,203,035 shares of New Rocket Lab Common Stock issuable in the Business Combination upon the conversion of shares of Rocket Lab stock held by DCVC Opportunity Fund II, L.P., or DCVC Opportunity Fund II. Data Collective IV GP, LLC, or DCVC IV GP, is the general partner of DCVC IV, and DCVC Opportunity Fund II GP, LLC, or DCVC Opportunity Fund II GP, is the general partner of DCVC Opportunity Fund II. Zachary Bogue and Matt Ocko are the managing members of each of DCVC IV GP and DCVC Opportunity Fund II GP and share voting and dispositive power over the shares held by DCVC IV and DCVC Opportunity Fund II. Mr. Ocko disclaims beneficial ownership interest of the securities held by DCVC IV and DCVC Opportunity Fund II except to the extent of his pecuniary interest therein, if any. The address of the entities listed herein is 270 University Avenue, Palo Alto, California 94301.
- (6) David Cowan, a member of our board of directors, is a partner at Bessemer Venture Partners. Mr. Cowan disclaims beneficial ownership interest of the securities held by the Bessemer Entities (as defined below) referred to in footnote 12 below, except to the extent of his pecuniary interest, if any, in such securities by virtue of his interest in Deer VIII L.P. (as defined below) and his indirect limited partnership interest in the Bessemer Entities.
- (7) Excludes shares of New Rocket Lab Common Stock issuable upon settlement of restricted stock units where settlement remains contingent upon satisfaction of a liquidity based vesting condition.
- (8) Sven Strohband, a member of our board of directors, is a partner at Khosla Ventures.
- (9) Does not include any shares that may be deemed to be indirectly owned by Mr. Slusky because of his indirect ownership interest in the Sponsor or in Vector Acquisition Partners Aggregator, L.L.C.
- (10) Consists of 42,364,939 shares of New Rocket Lab Common Stock held by the Northern Trust Company. Shares are held by The Northern Trust Company in its capacity as custodian for Future Fund Investment Company No.5 Pty Ltd (ABN 134 338 926) (FFIC 5). FFIC 5 is a wholly owned subsidiary of the Future Fund Board of Guardians. Investment and voting decisions for the Future Fund are made by the Future Fund Board of Guardians, which is governed by a non-executive board comprised of three or more individuals, and therefore no individual is the beneficial owner of the shares held by Future Fund. The principal business address of the Future Fund is Level 14, 447 Collins Street, Melbourne VIC 3000.
- (11) Consists of (a) 53,762,806 shares of New Rocket Lab Common Stock held by Khosla Ventures Seed B, LP, or Khosla Seed B, (b) 3,051,809 shares of New Rocket Lab Common Stock held by Khosla Ventures Seed B (CF), LP, or Khosla Seed B CF, and (c) 58,190,180 shares of New Rocket Lab Common Stock held by Khosla Ventures V, LP, or Khosla V. The general partner of Khosla Seed B and Khosla Seed B CF is Khosla Ventures Seed Associates B, LLC, or KVSA B. The general partner of Khosla V is Khosla Ventures Associates V, LLC, or KVA V. Vinod Khosla is the managing member of VK Services, LLC, or VK Services, which is the manager of KVSA B and KVA V. Each of KVSA B, KVA V, VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities held by Khosla Seed B, Khosla Seed B CF and Khosla V, and each of KVSA B, KVA V, VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities held by Khosla Seed B, Khosla Seed B CF and Khosla V. Each reporting person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein. The principal business address for each of the Khosla entities is c/o Khosla Ventures, 2128 Sand Hill Road, Menlo Park, California 94025.
- (12) Consists of (a) 44,472,226 shares of New Rocket Lab Common Stock held by Bessemer Venture Partners VIII Institutional L.P., or Bessemer VIII Institutional, and (b) 36,978,728 shares of New Rocket Lab Common Stock held by Bessemer Venture Partners VIII L.P., or Bessemer VIII and, together with Bessemer VIII Institutional, the Bessemer Entities. Deer VIII & Co. L.P., or Deer VIII L.P., is the general partner of the Bessemer Entities. Deer VIII & Co. Ltd., or Deer VIII Ltd., is the general partner of Deer VIII L.P. Robert P. Goodman, David Cowan, Jeremy Levine, Byron Deeter and Robert M. Stavis are the directors of Deer VIII Ltd. and hold the voting and dispositive power for the Bessemer Entities. Investment and voting decisions with respect to the shares held by the Bessemer Entities are made by the directors of Deer VIII Ltd. acting as an investment committee. The address for each of the Bessemer Entities is c/o Bessemer Venture Partners, 1865 Palmer Avenue, Suite 104, Larchmont, NY 10538.

Directors and Executive Officers

New Rocket Lab' directors and executive officers after the consummation of the Business Combination are described in the Proxy Statement/Prospectus in the section entitled "*Management of New Rocket Lab Following the Business Combination*" beginning on page 227 and that information is incorporated herein by reference. The New Rocket Lab Board has determined that each of David Cowan, Michael Griffin, Matt Ocko, Jon Olson, Merline Saintil, Alex Slusky and Sven Strohband qualifies as an independent director under the Nasdaq Stock Exchange Listing Rules.

Additionally, interlocks and insider participation information regarding Rocket Lab's executive officers is described in the Proxy Statement/Prospectus in the section entitled "*Management of New Rocket Lab Following the Business Combination—Compensation Committee Interlocks and Insider Participation*" beginning on page 233 and that information is incorporated herein by reference.

Executive Compensation

The executive compensation of Rocket Lab's executive officers is described in the Proxy Statement/Prospectus in the section entitled "*Management of New Rocket Lab Following the Business Combination*" from pages 235 - 240, and that information is incorporated herein by reference. Additionally, the compensation-related disclosure set forth under Item 5.02 of this Report is incorporated herein by reference.

Director Compensation

The compensation of New Rocket Lab's directors is described in the Proxy Statement/Prospectus in the sections entitled "*Management of New Rocket Lab Following the Business Combination—Non-Employee Director Compensation*" and "*Management of New Rocket Lab Following the Business Combination—2020 Director Compensation Table*" beginning on page 234 and that information is incorporated herein by reference.

Certain Relationships and Related Transactions, and Director Independence

Certain relationships and related party transactions of New Rocket Lab are described in the Proxy Statement/Prospectus in the section entitled "*Certain Relationships and Related Person Transactions*" beginning on page 251 and under Part I, Item 5 of the Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed by Vector, which descriptions are incorporated herein by reference. In connection with the Closing, Rocket Lab completed the redemptions of shares of common stock and options from Peter Beck, Adams Spice and Shaun O'Donnell pursuant to the terms of the Management Redemption Agreement. Prior to the Closing, Vector borrowed \$300,000 from the Sponsor pursuant to the unsecured working capital loan promissory note issued by Vector to the Sponsor on August 1, 2021 and, in connection with the Closing, repaid all such amounts to the Sponsor upon the maturity of such note.

Reference is made to the disclosure regarding the independence of the directors of New Rocket Lab in the section of the Proxy Statement/Prospectus entitled "*Management of New Rocket Lab Following the Business Combination—Corporate Governance—Director Independence*" beginning on page 231 and that information is incorporated herein by reference.

Legal Proceedings

Reference is made to the disclosure contained in the Proxy Statement/Prospectus beginning on page 207 in the section entitled "*Information About Rocket Lab—Legal Proceedings*", and beginning on page 190 in the section entitled "*Information About Vector—Legal Proceedings*," which are incorporated herein by reference.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Shares of New Rocket Lab Common Stock and New Rocket Lab's warrants began trading on the Nasdaq Capital Market under the symbol "RKLB" and "RKLBW," respectively, on August 25, 2021, in lieu of the ordinary shares, warrants and units of Vector. As of August 25, 2021, there were approximately 182 holders of record of New Rocket Lab Common Stock and two holders of record of New Rocket Lab's publicly traded warrants. New Rocket Lab has not paid any cash dividends on its shares of common stock to date. It is the present intention of New Rocket Lab's board of directors to retain all earnings, if any, for use in New Rocket Lab's business operations and, accordingly, New Rocket Lab's board does not anticipate declaring any dividends in the foreseeable future. The

payment of cash dividends in the future will be dependent upon New Rocket Lab's revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends is within the discretion of New Rocket Lab's board of directors. Further, the ability of New Rocket Lab to declare dividends may be limited by the terms of financing or other agreements entered into by it or its subsidiaries from time to time.

The following table contains information about Rocket Lab's equity compensation plans as of December 31, 2020.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders ⁽¹⁾	33,886,820 ⁽²⁾	\$ 1.03 ⁽²⁾	7,778,913 ⁽³⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	33,886,820	\$ 1.03	7,778,913

- (1) Includes information related to Rocket Lab's 2013 Stock Option and Grant Plan, as amended and restated (the "2013 Plan"). Reference is made to the disclosure contained in the Proxy Statement/Prospectus beginning on page 238 in the section entitled "*Management of New Rocket Lab Following the Business Combination—Employee Benefit and Compensation Plans and Arrangements—Second Amended and Restated 2013 Stock Option and Grant Plan*", which is incorporated herein by reference. All numbers retroactively reflect adjustments made in connection with the Business Combination. Following the Closing, no further awards may be made under the 2013 Plan. Does not include information regarding the 2021 Stock Option and Incentive Plan and the 2021 Employee Stock Purchase Plan, which had not been adopted as of December 31, 2020.
- (2) Includes (a) 22,055,765 shares of New Rocket Lab Common Stock issuable upon the exercise of outstanding options and (b) 11,831,055 shares of New Rocket Lab Common Stock issuable upon settlement of outstanding restricted stock units. Because there is no exercise price associated with the restricted stock units, such awards are not included in the weighed-average exercise price calculation.
- (3) Represent shares that remained available under the 2013 Plan as of December 31, 2020. Following the Closing, no further awards may be made under the 2013 Plan.

Recent Sales of Unregistered Securities

Reference is made to the disclosure set forth below under Item 3.02 of this Report concerning the issuance and sale by New Rocket Lab of certain unregistered securities and the disclosure set forth in the section entitled "*Recent Sales of Unregistered Securities; Use of Proceeds from Registered Offerings-Unregistered Sales*" under Item 5 of the Annual Report on Form 10-K for the year ended December 31, 2020 filed by Vector, each of which is incorporated herein by reference.

Description of Registrant's Securities

Reference is made to the disclosure contained in the Proxy Statement/Prospectus beginning on page 261 in the section entitled "*Description of New Rocket Lab Securities*," which is incorporated herein by reference.

Indemnification of Directors and Officers

New Rocket Lab has entered into indemnification agreements with each of its directors and executive officers. Each indemnification agreement provides for indemnification and advancement by New Rocket Lab of certain expenses and costs relating to claims, suits or proceedings arising from service as an officer, director, employee, agent or fiduciary of Rocket Lab or, at its request, service to other entities to the fullest extent permitted by applicable law. The foregoing description of the indemnification agreements does not purport to be complete and is qualified in its entirety by the terms and conditions of the indemnification agreements, a form of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Further information about the indemnification of Rocket Lab's directors and officers is set forth in the Proxy Statement/Prospectus in the section entitled "Description of New Rocket Lab Securities—Limitations on Liability and Indemnification of Officers and Directors" beginning on page 264 and is incorporated herein by reference.

Financial Statements and Supplementary Data

Reference is made to the disclosure set forth in Item 9.01 of this Report concerning the financial statements of Rocket Lab.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The information set forth under Item 4.01 of this Report is incorporated herein by reference.

Financial Statements and Exhibits

The information set forth under Item 9.01 of this Report is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure set forth in "Introductory Note—PIPE Investment" above is incorporated into this Item 3.02 by reference.

Rocket Lab issued the foregoing shares of common stock in transactions not involving an underwriter and not requiring registration under Section 5 of the Securities Act of 1933, as amended, in reliance on the exemption afforded by Section 4(a)(2) thereof.

Item 3.03 Material Modification to Rights of Security Holders.

In connection with the Domestication, Vector Delaware filed a Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Vector Delaware Certificate of Incorporation"). In connection with the Second Merger, the Vector Delaware Certificate of Incorporation was amended and restated (as amended and restated, the "New Rocket Lab Certificate of Incorporation"). The material terms of the Vector Delaware Certificate of Incorporation and the New Rocket Lab Certificate of Incorporation and the general effect upon the rights of holders of Vector's capital stock are discussed in the Proxy Statement/Prospectus in the sections entitled "Domestication Proposal" beginning on page 120, "Governing Documents Proposals" beginning on page 123, "Comparison of Corporate Governance and Shareholder Rights" beginning on page 257 and "Description of New Rocket Lab Securities" beginning on page 261, which are incorporated herein by reference.

Additionally, the disclosure set forth under the Introductory Note and in Item 5.03 of this Report is incorporated herein by reference. A copy of the New Rocket Lab Certificate of Incorporation is included as Exhibit 3.1 to this Report and incorporated herein by reference. A copy of the Vector Delaware Certificate of Incorporation is included as Exhibit 3.3 to this Report and incorporated herein by reference.

Item 4.01 Changes in Registrant's Certifying Accountant.

On August 30, 2021, the audit committee (the "Audit Committee") of the board of directors of New Rocket Lab dismissed WithumSmith+Brown, PC ("Withum"), Vector's independent registered public accounting firm prior to the Business Combination, as New Rocket Lab's independent registered public accounting firm.

The report of Withum on the financial statements of Vector as of December 31, 2020, and for the period from July 28, 2020 (inception) through December 31, 2020 (as restated) did not contain an adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainties, audit scope or accounting principles except that such audit report emphasized the restatement of Vector's financial statements due to its change in accounting for warrants.

During the period from July 28, 2020 (inception) through December 31, 2020 and the subsequent interim period through August 30, 2021, there were no disagreements between Vector, Vector Delaware or New Rocket Lab and Withum on any matter of accounting principles or practices, financial disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Withum, would have caused it to make reference to the subject matter of the disagreements in its reports on Vector's financial statements for such period.

During the period from July 28, 2020 (inception) through December 31, 2020 and the subsequent interim period through August 30, 2021, there were no “reportable events” (as defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act).

New Rocket Lab has provided Withum with a copy of the foregoing disclosures and has requested that Withum furnish New Rocket Lab with a letter addressed to the SEC stating whether it agrees with the statements made by New Rocket Lab set forth above. A copy of Withum’s letter, dated August 30, 2021, is filed as Exhibit 16.1 to this Report.

On August 30, 2021, the Audit Committee approved the engagement of Deloitte & Touche LLP (“Deloitte”) as New Rocket Lab’s independent registered public accounting firm to audit New Rocket Lab’s consolidated financial statements as of and for the year ended December 31, 2021. Deloitte served as the independent registered public accounting firm of Rocket Lab prior to the Business Combination. During the years ended December 31, 2020 and December 31, 2019 and the subsequent interim period through August 30, 2021, New Rocket Lab did not consult with Deloitte with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed, the type of audit opinion that might be rendered on our financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by us in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any other matter that was the subject of a disagreement or a “reportable event.”

Item 5.01 Changes in Control of Registrant.

The disclosure set forth under the Introductory Note and in Item 2.01 of this Report is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Executive Officers and Directors

Immediately following the Second Effective Time, and in accordance with the terms of the Merger Agreement, each executive officer of Vector resigned, and David Kennedy and John Herr resigned as members of Vector’s board of directors.

Effective immediately following the Second Effective Time, Peter Beck, David Cowan, Michael Griffin, Sven Strohband, Matt Ocko, Merline Saintil, and Jon Olson were appointed as directors of New Rocket Lab and the New Rocket Lab board of directors was divided into classes of directors serving three-year staggered terms as follows:

- Jon Olson, Merline Saintil, and Alex Slusky were designated as the Class I directors, with terms expiring at the first annual meeting of stockholders to be held after the consummation of the Business Combination and until their successors are elected and qualified;
- Michael Griffin and Matt Ocko were designated as the Class II directors, with terms expiring at the second annual meeting of stockholders to be held after the consummation of the Business Combination and until their successors are elected and qualified; and
- Peter Beck, David Cowan, and Sven Strohband were designated as the Class III directors, with terms will expiring at the third annual meeting of stockholders to be held after the consummation of the Business Combination and until their successors are elected and qualified.

Effective immediately following the Second Effective Time, Peter Beck was appointed as New Rocket Lab’s President, Chief Executive Officer and Chairman, Adam Spice was appointed as New Rocket Lab’s Chief Financial Officer (serving as principal financial officer and principal accounting officer), and Shaun O’Donnell was appointed as New Rocket Lab’s Executive Vice President, Global Operations.

Reference is also made to the disclosure described in the Proxy Statement/Prospectus in the section entitled “*Election of Directors and Vacancies*” beginning on page 262 “*Management of Rocket Lab Following the Business Combination*” beginning on page 227 for biographical information about each of the directors and officers following the Business Combination. Certain relationships and related party transactions of New Rocket Lab are described in the Proxy Statement/Prospectus in the section entitled “*Certain Relationships and Related Person Transactions*” beginning on page 251 and are incorporated herein by reference.

2021 Plans

In connection with the consummation of the Business Combination, and as further described in the Proxy Statement/Prospectus in the sections titled “*Equity Incentive Plan Proposal*” beginning on page 137 and “*Employee Stock Purchase Plan Proposal*,” beginning on page 142, New Rocket Lab adopted the 2021 Stock Option and Incentive Plan and the 2021 Employee Stock Purchase Plan, under which New Rocket Lab may grant equity incentive awards to employees, directors and independent contractors in order to attract, motivate and retain the talent for which New Rocket Lab competes.

The foregoing description of the 2021 Stock Option and Incentive Plan and the 2021 Employee Stock Purchase Plan contained in this Item 5.02 does not purport to be complete and is subject to and qualified in its entirety by reference to the 2021 Stock Option and Incentive Plan and the 2021 Employee Stock Purchase Plan, a copy of each of which is included herewith as Exhibits 10.4 and 10.5.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

In connection with the Domestication, Vector Delaware filed the Vector Delaware Certificate of Incorporation with the Secretary of State of the State of Delaware and the board of directors of Vector Delaware adopted new bylaws to govern the corporation following the Domestication (the “Vector Delaware Bylaws”). In connection with the Second Merger, the Vector Delaware Certificate of Incorporation was amended and restated by the New Rocket Lab Certificate of Incorporation and the board of directors of New Rocket Lab amended and restated the bylaws (as amended and restated, the “New Rocket Lab Bylaws”). The material terms of the Vector Delaware Certificate of Incorporation and the Vector Delaware Bylaws and the New Rocket Lab Certificate of Incorporation and the New Rocket Lab Bylaws and the general effect upon the rights of holders of Vector’s capital stock are discussed in the Proxy Statement/Prospectus in the sections entitled “*Domestication Proposal*” beginning on page 120, “*Governing Documents Proposals*” beginning on page 123, “*Comparison of Corporate Governance and Shareholder Rights*” beginning on page 257 and “*Description of New Rocket Lab Securities*” beginning on page 261, which are incorporated herein by reference.

Copies of the New Rocket Lab Certificate of Incorporation and the New Rocket Lab Bylaws are included as Exhibits 3.1 and 3.2 to this Report and incorporated herein by reference. Copies of the Vector Delaware Certificate of Incorporation and Vector Delaware Bylaws are included as Exhibits 3.3 and 3.4 to this Report and incorporated herein by reference.

Item 5.05 Amendments to the Registrant’s Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On August 25, 2021, New Rocket Lab adopted a new Code of Ethics and Employee Conduct to apply following the consummation of the Business Combination. A copy of the new Code of Ethics and Employee Conduct is included as Exhibits 14.1 to this Report and incorporated herein by reference.

Item 5.06 Change in Shell Company Status.

As a result of the Business Combination, Vector ceased being a shell company. Reference is made to the disclosure in the Proxy Statement/Prospectus in the sections entitled “*Business Combination Proposal*” beginning on page 87 and “*Domestication Proposal*” beginning on page 120, which are incorporated herein by reference. Further, the information set forth in the Introductory Note and under Item 2.01 of this Report is incorporated herein by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders.

In connection with the Closing, on August 25, 2021, a stockholder consent of Vector Delaware was executed and delivered to Vector Delaware adopting the Merger Agreement. The stockholder consent was executed by all of the holders of the Class B common stock of Vector Delaware following the Domestication representing 80,000,000 votes, or approximately 72.0% of the voting power of the shares entitled to vote on the adoption of the Merger Agreement. The Domestication and the Business Combination were previously approved by the requisite vote of Vector's shareholders at its annual general meeting on August 20, 2021.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses or funds acquired.

The consolidated financial statements of Rocket Lab for the years ended December 31, 2020 and 2019 are set forth in the Proxy Statement/Prospectus beginning on page F-69 and are incorporated herein by reference. The unaudited condensed consolidated financial statements of Rocket Lab as of June 30, 2021 and December 31, 2020 and for the six months ended June 30, 2021 and 2020 are set forth in Exhibit 99.1 hereto and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information of Vector and Rocket Lab as of June 30, 2021 and for the six months ended June 30, 2021 and for the year ended December 31, 2020 is set forth in Exhibit 99.2 hereto and are incorporated herein by reference.

(d) Exhibits.

Exhibit No.	Description
2.1+	<u>Agreement and Plan of Merger, dated as of March 1, 2021, by and among Vector Acquisition Corporation, Rocket Lab USA, Inc. and Prestige Merger Sub, Inc., as amended by Amendment No. 1 thereto, dated May 7, 2021, and Amendment No. 2 thereto, dated June 25, 2021 (incorporated by reference to Annex A to the proxy statement/prospectus filed by Vector Acquisition Corporation on July 21, 2021).</u>
3.1	<u>Certificate of Incorporation of Rocket Lab USA, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by Rocket Lab USA, Inc. on August 30, 2021).</u>
3.2	<u>Bylaws of Rocket Lab USA, Inc. (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by Rocket Lab USA, Inc. on August 30, 2021).</u>
3.3	<u>Certificate of Incorporation of Vector Acquisition Delaware Corporation (superseded by Exhibit 3.1) (incorporated by reference to Exhibit 3.3 to the Form 8-K filed by Rocket Lab USA, Inc. on August 30, 2021).</u>
3.4	<u>Bylaws of Vector Acquisition Delaware Corporation (superseded by Exhibit 3.2) (incorporated by reference to Exhibit 3.4 to the Form 8-K filed by Rocket Lab USA, Inc. on August 30, 2021).</u>
4.1	<u>Warrant Agreement between Vector Acquisition Corporation and Continental Stock Transfer & Trust Company, dated September 24, 2020 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by Vector Acquisition Corporation on September 30, 2020).</u>
4.2	<u>Amendment to Warrant Agreement, dated as of August 25, 2021 between Rocket Lab USA, Inc., Continental Stock Transfer & Trust Company and American Stock Transfer & Trust Company, LLC.</u>
4.3	<u>Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 to Amendment No. 1 to the Registration Statement on Form S-1 filed by Vector Acquisition Corporation on September 18, 2020).</u>
10.1	<u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>

Exhibit No.	Description
10.2	<u>Second Amended and Restated Registration Rights Agreement, dated as of August 25, 2021, by and among Rocket Lab USA, Inc. (formerly known as Vector Acquisition Delaware Corporation), Vector Acquisition Partners, L.P. and certain other parties thereto.</u>
10.3	<u>Letter Agreement, dated as of September 24, 2020, among Vector Acquisition Corporation, Vector Acquisition Partners, L.P. and the company's officers and directors.(incorporated by reference to Exhibit 10.4 to the Form 8-K filed by Vector Acquisition Corporation on September 30, 2020).</u>
10.4	<u>Rocket Lab USA, Inc. 2021 Stock Option and Incentive Plan (incorporated by reference to Annex H to the proxy statement/prospectus filed by Vector Acquisition Corporation on July 21, 2021).</u>
10.5	<u>Rocket Lab USA, Inc. 2021 Employee Stock Purchase Plan (incorporated by reference to Annex I to the proxy statement/prospectus filed by Vector Acquisition Corporation on July 21, 2021).</u>
10.6	<u>Sponsor Letter Agreement, dated as of March 1, 2021, between Vector Acquisition Corporation and Vector Acquisition Partners, L.P. (incorporated by referenced to Exhibit 10.2 to the Current Report on Form 8-K filed by Vector Acquisition Corporation on March 1, 2021).</u>
10.7	<u>Employment Agreement, dated August 12, 2014, between Rocket Lab Limited and Peter Beck (incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.8	<u>Employee Offer Letter, dated March 8, 2018, between Rocket Lab USA, Inc. and Adam Spice (incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.9	<u>Employment Agreement, dated September 9, 2013, between Rocket Lab Limited and Shaun O'Donnell, as updated on August 21, 2014 (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.10	<u>Second Amended and Restated 2013 Stock Option and Grant Plan.</u>
10.11	<u>Deed of Lease between Rocket Lab Limited and Kawatiri Properties Ltd., dated March 8, 2018, for the premises located at 25 Levene Place, Mount Wellington, Auckland 1060, New Zealand (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.12	<u>Standard Industrial Lease between Rocket Lab USA, Inc. and Douglas Park Associates III, LLC, dated October 4, 2019, for the premises located at 3881 McGowen Street, Long Beach, CA 90808 (incorporated by reference to Exhibit 10.13 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.13	<u>Amended and Restated Deed of Lease of Rural Land between Rocket Lab Limited and the Proprietors of Tawapata South, dated November 15, 2019, for the premises located at Onenui Station, Mahia 4198, New Zealand (incorporated by reference to Exhibit 10.14 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.14††	<u>Launch Site Access and Operations Support Agreement for LC-2 between Rocket Lab USA, Inc. and the Virginia Commercial Space Flight Authority, dated September 28, 2018, for the premises located at Mid-Atlantic Regional Spaceport, NASA Wallops Flight Facility, Wallops Island, VA (incorporated by reference to Exhibit 10.15 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>

Exhibit No.	Description
10.15	<u>Deed of Lease between Rocket Lab Limited and Class One Services Ltd., dated November 15, 2019, for the premises located at 387 Coalfields Road, Kopuku 2471, New Zealand (incorporated by reference to Exhibit 10.16 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.16	<u>Loan and Security Agreement, dated as of June 10, 2021, by and among Rocket Lab USA, Inc., Rocket Lab Global Services, LLC, and Hercules Capital, Inc. (incorporated by reference to Exhibit 10.18 to the Registration Statement on Form S-4 filed by Vector Acquisition Corporation on June 25, 2021).</u>
10.17	<u>Management Redemption Agreement, dated as of June 17, 2021 by and between Rocket Lab USA, Inc., Peter Beck, Adam Spice, and Shaun O'Donnell (incorporated by reference to Annex L to the proxy statement/prospectus filed by Vector Acquisition Corporation on July 21, 2021).</u>
10.18	<u>Form of Subscription Agreement (incorporated by referenced to Annex E to the proxy statement/prospectus filed by Vector Acquisition Corporation on July 21, 2021).</u>
14.1	<u>Code of Ethics and Employee Conduct.</u>
16.1	<u>Letter from WithumSmith+Brown, PC to the Securities and Exchange Commission.</u>
21.1	<u>List of subsidiaries.</u>
99.1	<u>Unaudited condensed consolidated financial statements of Rocket Lab USA, Inc as of June 30, 2021 and December 31, 2020 and for the six months ended June 30, 2021 and 2020 and Management's Discussion and Analysis of Financial Condition and Results of Operations for Rocket Lab USA, Inc. for the six months ended June 30, 2021 and 2020.</u>
99.2	<u>Unaudited pro forma condensed combined financial information of Vector Acquisition Corporation and Rocket Lab USA, Inc. as of June 30, 2021 and for the six months ended June 30, 2021 and for the year ended December 31, 2020.</u>
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*).

+ Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

†† Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit pursuant to Item 601(b)(10)(iv).

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Rocket Lab USA, Inc.

Date: August 31, 2021

By: /s/ Peter Beck

Name: Peter Beck

Title: President, Chief Executive Officer and Chairman

AMENDMENT OF WARRANT AGREEMENT

THIS AMENDMENT OF WARRANT AGREEMENT (this “**Agreement**”), made as of August 25, 2021, is made by and among Rocket Lab USA, Inc. (f/k/a Vector Acquisition Corporation), a Delaware corporation (the “**Company**,” and prior to the Closing (as defined below), “**Vector**”), Continental Stock Transfer & Trust Company, a New York corporation, as warrant agent (“**Continental**”), and American Stock Transfer & Trust Company, a New York corporation (“**AST**”).

WHEREAS, the Company and Continental are parties to that certain Warrant Agreement (the “**Existing Warrant Agreement**”), dated as of September 24, 2020, pursuant to which the Company issued 10,666,666 warrants (the “**Public Warrants**”) in its initial public offering and 5,600,000 private placement warrants (“**Private Placement Warrants**”, together with the Public Warrants, the “**Warrants**”), each representing the right to purchase one share of common stock, par value \$0.0001 per share, of the Company;

WHEREAS, capitalized terms used herein, but not otherwise defined, shall have the meanings given to such terms in the Existing Warrant Agreement;

WHEREAS, effective as of March 1, 2021, the Company entered into an Agreement and Plan of Merger (the “**Merger Agreement**”) by and among Rocket Lab USA, Inc. (“**Old Rocket Lab**”), Prestige USA Merger Sub, Inc., a Delaware corporation and direct wholly owned subsidiary of Old Rocket Lab, and Vector;

WHEREAS, the transactions contemplated by the Merger Agreement closed on the date of this Agreement (the “**Closing**”);

WHEREAS, Continental has agreed to resign its duties as the Warrant Agent as of the date hereof, and AST has agreed to serve as successor Warrant Agent from and after the date hereof; and

WHEREAS, pursuant to Section 9.8 of the Existing Warrant Agreement, the parties may, under certain circumstances, including those contemplated by this Agreement, amend the Existing Warrant Agreement without the consent of the Registered Holders.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Amendment of Existing Warrant Agreement. The parties hereby amend, effective as of the date of this Agreement, the Existing Warrant Agreement as provided in this Section 1.

a. *Change in Warrant Agent Amendment*. References to “Continental Stock Transfer & Trust Company” in the Existing Warrant Agreement shall be replaced with “American Stock Transfer & Trust Company”.

b. *Change of Address of Warrant Agent.* Section 9.2 of the Existing Warrant Agreement is hereby amended to direct that any notice, statement or demand authorized by the Existing Warrant Agreement to be given or made by the Warrant Agent or by the holder of any Warrant to or on the Company pursuant to Section 9.2 shall be delivered to:

American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
Email: Reorgwarrants@astfinancial.com

c. *Change of Address of Company.* Section 9.2 of the Existing Warrant Agreement is hereby amended to direct that any notice, statement or demand authorized by this Agreement to be given or made by the Warrant Agent or by the holder of any Warrant to or on the Company pursuant to Section 9.2 shall be delivered to:

Rocket Lab USA, Inc.
3881 McGowen Street
Long Beach, CA, USA 90808
Attn: Robbie Hurwitz
Email: r.hurwitz@rocketlabusa.com

With a copy to:

Goodwin Procter LLP
601 Marshall St.
Redwood City, CA 94063
Attn: Stuart Ogg
Email: sogg@goodwinlaw.com

2. Warrant Agent Succession and Resignation of Current Warrant Agent and Appointment of Successor. Continental hereby resigns as Warrant Agent, and the Company hereby appoints AST to act as the Warrant Agent for the Company for the Warrants, and AST hereby accepts such appointment and agrees to perform the same in accordance with the terms and conditions set forth in the Existing Warrant Agreement as modified by this Agreement.

3. Miscellaneous Provisions.

a. *Successors.* All the covenants and provisions of this Agreement by or for the benefit of the parties shall bind and inure to the benefit of their respective successors and assigns.

b. *Applicable Law.* The validity, interpretation, and performance of this Agreement shall be governed in all respects by the laws of the State of New York, without giving effect to conflicts of law principles that would result in the application of the substantive laws of another jurisdiction. The Company hereby agrees that any action, proceeding or claim against it arising out of or relating in any way to this Agreement shall be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

c. *Counterparts.* This Agreement may be executed in any number of original or facsimile counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

d. *Effect of Headings.* The section headings herein are for convenience only and are not part of this Agreement and shall not affect the interpretation thereof.

e. *Severability.* This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

f. *Entire Agreement.* The Existing Warrant Agreement, as modified by this Agreement, constitutes the entire understanding of the parties and supersedes all prior agreements, understandings, arrangements, promises and commitments, whether written or oral, express or implied, relating to the subject matter hereof, and all such prior agreements, understandings, arrangements, promises and commitments are hereby canceled and terminated.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

ROCKET LAB USA, INC.

By: /s/ Peter Beck
Name: Peter Beck
Title: President

**CONTINENTAL STOCK TRANSFER & TRUST
COMPANY**

By: /s/ Ana Gois
Name: Ana Gois
Title: Vice President

**AMERICAN STOCK TRANSFER & TRUST
COMPANY**

By: /s/ Michael A. Nespoli
Name: Michael A. Nespoli
Title: Executive Director

[Signature Page to Amendment of Warrant Agreement]

SECOND AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

THIS SECOND AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this “**Agreement**”), dated as of August 25, 2021, is made and entered into by and among Vector Acquisition Delaware Corporation, a Delaware corporation (the “**Company**”), Vector Acquisition Partners, L.P., a Cayman Islands exempted limited partnership (the “**Sponsor**”), John Herr (“**Mr. Herr**”), David Kennedy (together with Mr. Herr the “**Vector Holders**”), and certain former stockholders of Rocket Lab USA, Inc., a Delaware corporation (“**Target**”), set forth on Schedule 1 hereto (such stockholders, the “**Target Holders**” and, collectively with the Sponsor and the Vector Holders and any person or entity who hereafter becomes a party to this Agreement pursuant to Section 6.2 or Section 6.10 of this Agreement, the “**Holders**” and each, a “**Holder**”) and the FF Beneficial Investor (as defined herein).

RECITALS

WHEREAS, the Company, the Sponsor and the Vector Holders are party to that certain Registration and Shareholder Rights Agreement, dated as of September 24, 2020, by and among the Company, the Sponsor, and certain other equityholders named therein (the “**Original RRA**”);

WHEREAS, the Company has entered into that certain Agreement and Plan of Merger, dated as of March 1, 2021 (as it may be amended, supplemented or otherwise modified from time to time, the “**Merger Agreement**”), by and among the Company, Prestige USA Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of the Target (“**Merger Sub**”), and Target, pursuant to which Merger Sub merged with and into the Company (the “**First Merger**”), with the Company continuing as the surviving corporation (the Company in its capacity as the surviving corporation of the First Merger, the “**First Surviving Corporation**”) and becoming a direct, wholly owned subsidiary of the Target and, as part of the same overall transaction, promptly after the First Merger, the First Surviving Corporation merged with and into the Target (the “**Second Merger**” and, together with the First Merger, the “**Merger**”), with the Company being the surviving Corporation;

WHEREAS, on the date hereof, pursuant to the Merger Agreement, the Target Holders received shares of the Company’s common stock, par value \$0.0001 per share (the “**Common Stock**”);

WHEREAS, on the date hereof, pursuant to the Merger Agreement, holders of Company Warrants, as defined in the Merger Agreement, received Assumed Warrants, as defined in the Merger Agreement (“**Warrants**”);

WHEREAS, on the date hereof, pursuant to the Merger Agreement, certain Target Holders received Rollover Options, as defined in the Merger Agreement (“**Equity Awards**”);

WHEREAS, on the date hereof, pursuant to the Merger Agreement, holders of awards of Company Restricted Stock Units, as defined in the Merger Agreement, received Rollover Restricted Stock Units, as defined in the Merger Agreement (“**Restricted Stock Units**”);

WHEREAS, on the date hereof, certain investors (such other investors, collectively, the “**Third-Party Investor Stockholders**”) purchased an aggregate of 46,700,000 shares of Common Stock (the “**Investor Shares**”) in a transaction exempt from registration under the Securities Act pursuant to the respective Subscription Agreements, each dated as of March 1, 2021, entered into by and between the Company and each of the Third-Party Investor Stockholders (each, a “**Subscription Agreement**” and, collectively, the “**Subscription Agreements**”);

WHEREAS, pursuant to Section 6.8 of the Original RRA, the provisions, covenants and conditions set forth therein may be amended or modified upon the written consent of the Company and the Holders (as defined in the Original RRA) of at least a majority in interest of the Registrable Securities (as defined in the Original RRA) at the time in question, and the Sponsor and the Vector Holders are Holders in the aggregate of at least a majority in interest of the Registrable Securities as of the date hereof;

WHEREAS, the Company, the Sponsor and the Vector Holders desire to amend and restate the Original RRA in its entirety and enter into this Agreement, pursuant to which the Company shall grant the Holders certain registration rights with respect to certain securities of the Company, as set forth in this Agreement.

NOW, THEREFORE, in consideration of the representations, covenants and agreements contained herein, and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 **Definitions.** The terms defined in this **Article I** shall, for all purposes of this Agreement, have the respective meanings set forth below:

“**Additional Holder**” shall have the meaning given in **Section 6.10**.

“**Additional Holder Common Stock**” shall have the meaning given in **Section 6.10**.

“**Adverse Disclosure**” shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the Chief Executive Officer or the Chief Financial Officer of the Company, after consultation with counsel to the Company, (a) would be required to be made in any Registration Statement or Prospectus in order for the applicable Registration Statement or Prospectus not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein (in the case of any prospectus and any preliminary prospectus, in the light of the circumstances under which they were made) not misleading, (b) would not be required to be made at such time if the Registration Statement were not being filed, declared effective or used, as the case may be, (c) the Company has a bona fide business purpose for not making such information public, and (d) such disclosure (i) would be reasonably likely to have an adverse impact on the Company, (ii) could reasonably be expected to have a material adverse effect on the Company’s ability to effect a material proposed acquisition, disposition, financing, reorganization, recapitalization or similar transaction or (iii) relates to

information the accuracy of which has yet to be determined by the Company or which is the subject of an ongoing investigation or inquiry; provided that the Company takes all reasonable action as necessary to promptly make such determination and conclude such investigation or inquiry.

“Agreement” shall have the meaning given in the Preamble hereto.

“Block Trade” shall have the meaning given in Section 2.4.1.

“Board” shall mean the Board of Directors of the Company.

“Closing” shall have the meaning given in the Merger Agreement.

“Closing Date” shall have the meaning given in the Merger Agreement.

“Commission” shall mean the Securities and Exchange Commission.

“Common Stock” shall have the meaning given in the Recitals hereto.

“Company” shall have the meaning given in the Preamble hereto and includes the Company’s successors by recapitalization, merger, consolidation, spin-off, reorganization or similar transaction.

“Competing Registration Rights” shall have the meaning given in Section 6.7.

“Demanding Holder” shall have the meaning given in Section 2.1.4.

“Equity Awards” shall have the meaning given in the Recitals hereto.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as it may be amended from time to time.

“FF Beneficial Investor” means Future Fund Investment Company Future Fund Investment Company No.5 Pty Ltd.

“FF Investor” means The Northern Trust Company (ABN 62 126 279 918), a company incorporated in the State of Illinois in the United States of America, in its capacity as custodian for the FF Beneficial Investor.

“FF Permitted Transferee” means (i) the Future Fund Board of Guardians; (ii) any person controlling, controlled by, or under common control with, the Future Fund Board of Guardians; (iii) the trustee of a trust in which all or substantially all of the beneficial interests are held directly or indirectly by the Future Fund Board of Guardians; (iv) any person controlling, controlled by, or under common control with, the Future Fund Board of Guardians; or (v) any custodian for any of the foregoing persons listed in (i)-(iv).

“Form S-1 Shelf” shall have the meaning given in Section 2.1.1.

“Form S-3 Shelf” shall have the meaning given in Section 2.1.1.

“Holder Information” shall have the meaning given in Section 4.1.2.

“Holders” shall have the meaning given in the Preamble hereto, for so long as such person or entity holds any Registrable Securities.

“Investor Shares” shall have the meaning given in the Recitals hereto.

“Joinder” shall have the meaning given in Section 6.10.

“Lock-up” shall have the meaning given in Section 5.1.

“Lock-up Parties” shall mean the Target Holders and their respective Permitted Transferees.

“Lock-up Period” shall mean the period beginning on the Closing Date and ending on the date that is 180 days after the Closing Date.

“Lock-up Shares” shall mean the shares of Common Stock and any other equity securities convertible into or exercisable or exchangeable for shares of Common Stock held by the Target Holders immediately following the Closing or shares of Common Stock issued with respect to or in exchange for Equity Awards, Restricted Stock Units or Warrants or pursuant to the Merger Agreement on or after the Closing as permitted by this Agreement (other than the Investor Shares or shares of Common Stock acquired in the public market).

“Maximum Number of Securities” shall have the meaning given in Section 2.1.5.

“Merger Agreement” shall have the meaning given in the Recitals hereto.

“Merger” shall have the meaning given in the Recitals hereto.

“Merger Sub” shall have the meaning given in the Recitals hereto.

“Minimum Takedown Threshold” shall have the meaning given in Section 2.1.4.

“Misstatement” shall mean an untrue statement of a material fact or an omission to state a material fact required to be stated in a Registration Statement or Prospectus or necessary to make the statements in a Registration Statement or Prospectus (in the case of a Prospectus, in the light of the circumstances under which they were made) not misleading.

“Original RRA” shall have the meaning given in the Recitals hereto.

“Other Coordinated Offering” shall have the meaning given in Section 2.4.1.

“Permitted Transferees” shall mean (a) with respect to the Target Holders and their respective Permitted Transferees, (i) prior to the expiration of the Lock-up Period, any person or entity to whom such Holder is permitted to transfer such Registrable Securities prior to the expiration of the Lock-up Period pursuant to Section 5.2 and (ii) after the expiration of the Lock-up Period, any person or entity to whom such Holder is permitted to transfer such Registrable Securities, subject to and in accordance with any applicable agreement between such Holder and/or their respective Permitted Transferees and the Company and any transferee thereafter, and

(b) with respect to all other Holders and their respective Permitted Transferees, any person or entity to whom a Holder of Registrable Securities is permitted to transfer such Registrable Securities, including prior to the expiration of any lock-up period applicable to such Registrable Securities, subject to and in accordance with any applicable agreement between such Holder and/or their respective Permitted Transferees and the Company and any transferee thereafter.

“Piggyback Registration” shall have the meaning given in Section 2.2.1.

“Private Placement Warrants” shall mean the warrants held by certain Holders, purchased by such Holders in the private placement that occurred concurrently with the closing of the Company’s initial public offering, including any shares of Common Stock issued or issuable upon conversion or exchange of such warrants.

“Prospectus” shall mean the prospectus included in any Registration Statement, as supplemented by any and all prospectus supplements and as amended by any and all post-effective amendments and including all material incorporated by reference in such prospectus.

“Registrable Security” shall mean (a) any outstanding shares of Common Stock and any other equity security (including the Private Placement Warrants and any other warrants to purchase shares of Common Stock and shares of Common Stock issued or issuable upon the exercise or conversion of any other equity security) of the Company held by a Holder immediately following the Closing (including any securities distributable pursuant to the Merger Agreement and any Investor Shares), any Additional Holder Common Stock, and (b) any other equity security of the Company or any of its subsidiaries issued or issuable with respect to any securities referenced in clause (a) above by way of a stock dividend or stock split or in connection with a recapitalization, merger, consolidation, spin-off, reorganization or similar transaction; provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities upon the earliest to occur of: (A) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement by the applicable Holder; (B) such securities shall have been otherwise transferred (other than to a Permitted Transferee), (C) such securities shall have ceased to be outstanding; (D) such securities have been sold without registration pursuant to Section 4(a)(1) of the Securities Act or Rule 145 promulgated under the Securities Act or any successor rules promulgated under the Securities Act and (E) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

“Registration” shall mean a registration, including any related Shelf Takedown, effected by preparing and filing a registration statement, Prospectus or similar document in compliance with the requirements of the Securities Act, and the applicable rules and regulations promulgated thereunder, and such registration statement becoming effective.

“Registration Expenses” shall mean the documented, out-of-pocket expenses of a Registration, including, without limitation, the following:

(A) all registration and filing fees (including fees with respect to filings required to be made with the Financial Industry Regulatory Authority, Inc.) and any national securities exchange on which the Common Stock is then listed;

(B) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of outside counsel for the Underwriters in connection with blue sky qualifications of Registrable Securities);

(C) printing, messenger, telephone and delivery expenses;

(D) reasonable fees and disbursements of counsel for the Company;

(E) reasonable fees and disbursements of all independent registered public accountants of the Company incurred specifically in connection with such Registration; and

(F) in an Underwritten Offering, reasonable fees and expenses of one (1) legal counsel selected by the majority-in-interest of the Demanding Holders (not to exceed \$35,000 without the consent of the Company).

“Registration Statement” shall mean any registration statement that covers Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus included in such registration statement, amendments (including post-effective amendments) and supplements to such registration statement, and all exhibits to and all material incorporated by reference in such registration statement.

“Restricted Stock Units” shall have the meaning given in the Recitals hereto.

“Requesting Holders” shall have the meaning given in Section 2.1.5.

“Securities Act” shall mean the Securities Act of 1933, as amended from time to time.

“Shelf” shall mean the Form S-1 Shelf, the Form S-3 Shelf or any Subsequent Shelf Registration Statement, as the case may be.

“Shelf Registration” shall mean a registration of securities pursuant to a registration statement filed with the Commission in accordance with and pursuant to Rule 415 promulgated under the Securities Act (or any successor rule then in effect).

“Shelf Takedown” shall mean an Underwritten Shelf Takedown or any proposed transfer or sale using a Registration Statement, including a Piggyback Registration.

“Sponsor” shall have the meaning given in the Preamble hereto.

“Sponsor Member” shall mean a member of Sponsor who becomes party to this Agreement as a Permitted Transferee of Sponsor.

“Subscription Agreement” shall have the meaning given in the Preamble hereto.

“Subsequent Shelf Registration Statement” shall have the meaning given in Section 2.1.2.

“Target” shall have the meaning given in the Preamble hereto.

“Target Holders” shall have the meaning given in the Preamble hereto.

“Third-Party Investor Stockholders” shall have the meaning given in the Recitals hereto.

“Transfer” shall mean the (a) sale or assignment of, offer to sell, contract or agreement to sell, hypothecate, pledge, grant of any option to purchase or otherwise dispose of or agreement to dispose of, directly or indirectly, or establishment or increase of a put equivalent position or liquidation with respect to or decrease of a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any security, (b) entry into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (c) public announcement of any intention to effect any transaction specified in clause (a) or (b).

“Underwriter” shall mean a securities dealer who purchases any Registrable Securities as principal in an Underwritten Offering and not as part of such dealer’s market-making activities.

“Underwritten Offering” shall mean a Registration in which securities of the Company are sold to an Underwriter in a firm commitment underwriting for distribution to the public.

“Underwritten Shelf Takedown” shall have the meaning given in Section 2.1.4.

“Vector Holders” shall have the meaning given in the Preamble hereto.

“Warrants” shall have the meaning given in the Recitals hereto.

“Withdrawal Notice” shall have the meaning given in Section 2.1.6.

ARTICLE II

REGISTRATIONS AND OFFERINGS

2.1 Shelf Registration.

2.1.1 Filing. Within forty-five (45) calendar days following the Closing Date, the Company shall submit to or file with the Commission a Registration Statement for a Shelf Registration on Form S-1 (the **“Form S-1 Shelf”**) or a Registration Statement for a Shelf Registration on Form S-3 (the **“Form S-3 Shelf”**), if the Company is then eligible to use a Form S-3 Shelf, in each case, covering the resale of all the Registrable Securities (determined as of two (2) business days prior to such submission or filing) on a delayed or continuous basis and shall use its commercially reasonable efforts to have such Shelf declared effective as soon as practicable after the filing thereof, but no later than the earlier of (a) the ninetieth (90th) calendar day following the filing date thereof if the Commission notifies the Company that it will “review” the Registration Statement and (b) the tenth (10th) business day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that the Registration Statement will not be “reviewed” or will not be subject to further review. Such Shelf shall provide for the resale of the Registrable Securities included therein pursuant to any method or combination of methods legally available to, and requested by, any Holder named therein (and the FF Beneficial Investor if the FF Investor submits such request). The Company shall maintain a Shelf in accordance with the terms hereof, and shall prepare and file with the Commission such amendments, including post-effective

amendments, and supplements as may be necessary to keep a Shelf continuously effective, available for use to permit the Holders named therein to sell their Registrable Securities included therein and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities. In the event the Company files a Form S-1 Shelf, the Company shall use its commercially reasonable efforts to convert the Form S-1 Shelf (and any Subsequent Shelf Registration Statement) to a Form S-3 Shelf as soon as practicable after the Company is eligible to use a Form S-3 Shelf. The Company's obligation under this Section 2.1.1, shall, for the avoidance of doubt, be subject to Section 3.4.

2.1.2 Subsequent Shelf Registration. If any Shelf ceases to be effective under the Securities Act for any reason at any time while Registrable Securities are still outstanding, the Company shall, subject to Section 3.4, use its commercially reasonable efforts to as promptly as is reasonably practicable cause such Shelf to again become effective under the Securities Act (including using its commercially reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness of such Shelf), and shall use its commercially reasonable efforts to as promptly as is reasonably practicable amend such Shelf in a manner reasonably expected to result in the withdrawal of any order suspending the effectiveness of such Shelf or file an additional registration statement as a Shelf Registration (a "***Subsequent Shelf Registration Statement***") registering the resale of all Registrable Securities (determined as of two (2) business days prior to such filing). If a Subsequent Shelf Registration Statement is filed, the Company shall use its commercially reasonable efforts to (i) cause such Subsequent Shelf Registration Statement to become effective under the Securities Act as promptly as is reasonably practicable after the filing thereof (it being agreed that the Subsequent Shelf Registration Statement shall be an automatic shelf registration statement (as defined in Rule 405 promulgated under the Securities Act) if the Company is a well-known seasoned issuer (as defined in Rule 405 promulgated under the Securities Act) at the most recent applicable eligibility determination date) and (ii) keep such Subsequent Shelf Registration Statement continuously effective, available for use to permit the Holders named therein to sell their Registrable Securities included therein and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities. Any such Subsequent Shelf Registration Statement shall be on Form S-3 to the extent that the Company is eligible to use such form. Otherwise, such Subsequent Shelf Registration Statement shall be on another appropriate form. The Company's obligation under this Section 2.1.2, shall, for the avoidance of doubt, be subject to Section 3.4.

2.1.3 Additional Registrable Securities. Subject to Section 3.4, in the event that any Holder holds Registrable Securities that are not registered for resale on a delayed or continuous basis, the Company, upon written request of such Holder, shall promptly use its commercially reasonable efforts to cause the resale of such Registrable Securities to be covered by either, at the Company's option, any then available Shelf (including by means of a post-effective amendment) or by filing a Subsequent Shelf Registration Statement and cause the same to become effective as soon as practicable after such filing and such Shelf or Subsequent Shelf Registration Statement shall be subject to the terms hereof; provided, however, that the Company shall only be required to cause such additional Registrable Securities to be so covered twice per calendar year for each of the Sponsor, the Sponsor Members and the Target Holders.

2.1.4 Requests for Underwritten Shelf Takedowns. Subject to Section 3.4, at any time and from time to time when an effective Shelf is on file with the Commission, the Sponsor, any Sponsor Member, or a Target Holder (any of the Sponsor, any Sponsor Member or a Target

Holder being in such case, a “**Demanding Holder**”) may request to sell all or any portion of its Registrable Securities in an Underwritten Offering that is registered pursuant to the Shelf (each, an “**Underwritten Shelf Takedown**”); provided that the Company shall only be obligated to effect an Underwritten Shelf Takedown if such offering shall include Registrable Securities proposed to be sold by the Demanding Holder, either individually or together with other Demanding Holders, with a total offering price of at least \$50 million (the “**Minimum Takedown Threshold**”). All requests for Underwritten Shelf Takedowns shall be made by giving written notice to the Company, which shall specify the approximate number of Registrable Securities proposed to be sold in the Underwritten Shelf Takedown. Subject to Section 2.4.4, the Company shall have the right to select the Underwriters for such offering (which shall consist of one or more reputable nationally recognized investment banks), subject to the initial Demanding Holder’s prior approval (which shall not be unreasonably withheld, conditioned or delayed). The Sponsor, any Sponsor Member and the Target Holders may each demand not more than (i) one (1) Underwritten Shelf Takedown pursuant to this Section 2.1.4 within any six (6) month period or (ii) two (2) Underwritten Shelf Takedowns pursuant to this Section 2.1.4 in any twelve (12) month period, for an aggregate of not more than four (4) Underwritten Shelf Takedowns pursuant to this Section 2.1.4 in any twelve (12) month period. Notwithstanding anything to the contrary in this Agreement, the Company may effect any Underwritten Offering pursuant to any then effective Registration Statement, including a Form S-3, that is then available for such offering.

2.1.5 Reduction of Underwritten Offering. If the managing Underwriter or Underwriters in an Underwritten Shelf Takedown, in good faith, advises the Company, the Demanding Holders and the Holders requesting piggy back rights pursuant to this Agreement with respect to such Underwritten Shelf Takedown (the “**Requesting Holders**”) (if any) in writing that the dollar amount or number of Registrable Securities that the Demanding Holders and the Requesting Holders (if any) desire to sell, taken together with all other shares of Common Stock or other equity securities that the Company desires to sell and all other shares of Common Stock or other equity securities, if any, that have been requested to be sold in such Underwritten Offering pursuant to separate written contractual piggy-back registration rights held by any other stockholders, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the Underwritten Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the “**Maximum Number of Securities**”), then the Company shall include in such Underwritten Offering, before including any shares of Common Stock or other equity securities proposed to be sold by Company or by other holders of Common Stock or other equity securities, the Registrable Securities of (i) first, the Demanding Holders that can be sold without exceeding the Maximum Number of Securities (pro rata based on the respective number of Registrable Securities that each Demanding Holder has requested be included in such Underwritten Shelf Takedown and the aggregate number of Registrable Securities that all of the Demanding Holders have requested be included in such Underwritten Shelf Takedown) and (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (i), the Requesting Holders (if any) (pro rata based on the respective number of Registrable Securities that each Requesting Holder (if any) has requested be included in such Underwritten Shelf Takedown and the aggregate number of Registrable Securities that all of the Requesting Holders have requested be included in such Underwritten Shelf Takedown) that can be sold without exceeding the Maximum Number of Securities.

2.1.6 Withdrawal. Prior to the filing of the applicable “red herring” prospectus or prospectus supplement used for marketing such Underwritten Shelf Takedown, a majority-in- interest of the Demanding Holders initiating an Underwritten Shelf Takedown shall have the right to withdraw from such Underwritten Shelf Takedown for any or no reason whatsoever upon written notification (a “**Withdrawal Notice**”) to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from such Underwritten Shelf Takedown; provided that the Sponsor, any Sponsor Member or a Target Holder may elect to have the Company continue an Underwritten Shelf Takedown if the Minimum Takedown Threshold would still be satisfied by the Registrable Securities proposed to be sold in the Underwritten Shelf Takedown by the Sponsor, any Sponsor Member, the Target Holders or any of their respective Permitted Transferees, as applicable. If withdrawn, a demand for an Underwritten Shelf Takedown shall constitute a demand for an Underwritten Shelf Takedown by the withdrawing Demanding Holder for purposes of Section 2.1.4, unless such Demanding Holder reimburses the Company for all Registration Expenses with respect to such Underwritten Shelf Takedown (or, if there is more than one Demanding Holder, a pro rata portion of such Registration Expenses based on the respective number of Registrable Securities that each Demanding Holder has requested be included in such Underwritten Shelf Takedown); provided that, if the Sponsor, any Sponsor Member or a Target Holder elects to continue an Underwritten Shelf Takedown pursuant to the proviso in the immediately preceding sentence, such Underwritten Shelf Takedown shall instead count as an Underwritten Shelf Takedown demanded by the Sponsor, any Sponsor Member or such Target Holder, as applicable, for purposes of Section 2.1.4. Following the receipt of any Withdrawal Notice, the Company shall promptly forward such Withdrawal Notice to any other Holders that had elected to participate in such Shelf Takedown. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with a Shelf Takedown prior to its withdrawal under this Section 2.1.6, other than if a Demanding Holder elects to pay such Registration Expenses pursuant to clause (ii) of the second sentence of this Section 2.1.6.

2.2 Piggyback Registration.

2.2.1 Piggyback Rights. Subject to Section 2.4.3, if the Company or any Holder proposes to conduct a registered offering of, or if the Company proposes to file a Registration Statement under the Securities Act with respect to the Registration of, equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into equity securities, for its own account or for the account of stockholders of the Company (or by the Company and by the stockholders of the Company including, without limitation, an Underwritten Shelf Takedown pursuant to Section 2.1), other than a Registration Statement (or any registered offering with respect thereto) (i) filed in connection with any employee stock option or other benefit plan, (ii) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), (iii) for an offering of debt that is convertible into equity securities of the Company, (iv) for a dividend reinvestment plan, (v) a Block Trade or (vi) an Other Coordinated Offering, then the Company shall give written notice of such proposed offering to all of the Holders of Registrable Securities and the FF Beneficial Investor as soon as practicable but not less than ten (10) days before the anticipated filing date of such Registration Statement or, in the case of an Underwritten Offering pursuant to a Shelf Registration, the applicable “red herring” prospectus or prospectus supplement used for marketing such offering, which notice shall (A) describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed

managing Underwriter or Underwriters, if any, in such offering, and (B) offer to all of the Holders of Registrable Securities the opportunity to include in such registered offering such number of Registrable Securities as such Holders may request in writing within five (5) days after receipt of such written notice (such registered offering, a ***"Piggyback Registration"***). The rights provided under this Section 2.2.1 shall not be available to any Holder at such time as there is an effective Shelf available for the resale of the Registrable Securities pursuant to Section 2.1. Subject to Section 2.2.2, the Company shall, in good faith, cause such Registrable Securities to be included in such Piggyback Registration and, if applicable, shall use its commercially reasonable efforts to cause the managing Underwriter or Underwriters of such Piggyback Registration to permit the Registrable Securities requested by the Holders pursuant to this Section 2.2.1 to be included therein on the same terms and conditions as any similar securities of the Company included in such registered offering and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. The inclusion of any Holder's Registrable Securities in a Piggyback Registration shall be subject to such Holder's agreement to enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwritten Offering. Notwithstanding anything to the contrary in the foregoing, neither the FF Investor nor the FF Beneficial Investor shall be required to execute any agreement, instrument or other document pursuant to this Section 2.2 unless such agreement, instrument or other document contains a limitation of liability provision in the form of Section 6.14.

2.2.2 Reduction of Piggyback Registration. If the managing Underwriter or Underwriters in an Underwritten Offering that is to be a Piggyback Registration, in good faith, advises the Company and the Holders of Registrable Securities (and the FF Beneficial Investor) participating in the Piggyback Registration in writing that the dollar amount or number of shares of Common Stock or other equity securities that the Company desires to sell, taken together with (i) the shares of Common Stock or other equity securities, if any, as to which Registration or a registered offering has been demanded pursuant to separate written contractual arrangements with persons or entities other than the Holders of Registrable Securities hereunder, (ii) the Registrable Securities as to which registration has been requested pursuant to Section 2.2 hereof, and (iii) the shares of Common Stock or other equity securities, if any, as to which Registration or a registered offering has been requested pursuant to separate written contractual piggy-back registration rights of persons or entities other than the Holders of Registrable Securities hereunder, exceeds the Maximum Number of Securities, then:

(a) if the Registration or registered offering is undertaken for the Company's account, the Company shall include in any such Registration or registered offering (A) first, the shares of Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to Section 2.2.1, pro rata, based on the respective number of Registrable Securities that each Holder has requested be included in such Underwritten Offering and the aggregate number of Registrable Securities that the Holders have requested to be included in such Underwritten Offering, which can be sold without exceeding the Maximum Number of Securities; and (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the shares of Common Stock or other equity securities, if any, as to which Registration or a registered offering has been requested pursuant to separate written contractual piggy-back registration rights of persons or entities other than the Holders of Registrable Securities hereunder, which can be sold without exceeding the Maximum Number of Securities;

(b) if the Registration or registered offering is pursuant to a demand by persons or entities other than the Holders of Registrable Securities, then the Company shall include in any such Registration or registered offering (A) first, the shares of Common Stock or other equity securities, if any, of such requesting persons or entities, other than the Holders of Registrable Securities, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to Section 2.2.1, pro rata, based on the respective number of Registrable Securities that each Holder has requested be included in such Underwritten Offering and the aggregate number of Registrable Securities that the Holders have requested to be included in such Underwritten Offering, which can be sold without exceeding the Maximum Number of Securities; (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the shares of Common Stock or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; and (D) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A), (B) and (C), the shares of Common Stock or other equity securities, if any, as to which Registration or a registered offering has been requested pursuant to separate written contractual piggy-back registration rights of persons or entities other than the Holders of Registrable Securities hereunder, which can be sold without exceeding the Maximum Number of Securities; and

(c) if the Registration or registered offering and Underwritten Shelf Takedown is pursuant to a request by Holder(s) of Registrable Securities pursuant to Section 2.1 hereof, then the Company shall include in any such Registration or registered offering securities in the priority set forth in Section 2.1.5.

2.2.3 Piggyback Registration Withdrawal. Any Holder of Registrable Securities (other than a Demanding Holder, whose right to withdraw from an Underwritten Shelf Takedown, and related obligations, shall be governed by Section 2.1.6) shall have the right to withdraw from a Piggyback Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of his, her or its intention to withdraw from such Piggyback Registration prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Piggyback Registration or, in the case of a Piggyback Registration pursuant to a Shelf Registration, the filing of the applicable “red herring” prospectus or prospectus supplement with respect to such Piggyback Registration used for marketing such transaction. The Company (whether on its own good faith determination or as the result of a request for withdrawal by persons or entities pursuant to separate written contractual obligations) may withdraw a Registration Statement filed with the Commission in connection with a Piggyback Registration (which, in no circumstance, shall include a Shelf) at any time prior to the effectiveness of such Registration Statement. Notwithstanding anything to the contrary in this Agreement (other than Section 2.1.6), the Company shall be responsible for the Registration Expenses incurred in connection with the Piggyback Registration prior to its withdrawal under this Section 2.2.3.

2.2.4 Unlimited Piggyback Registration Rights. For purposes of clarity, subject to Section 2.1.6, any Piggyback Registration effected pursuant to Section 2.2 hereof shall not be counted as a demand for an Underwritten Shelf Takedown under Section 2.1.4 hereof.

2.3 Market Stand-off. In connection with any Underwritten Offering of equity securities of the Company (other than a Block Trade or Other Coordinated Offering), if requested by the managing Underwriters, each Holder participating in such Underwritten Offering agrees that it shall not Transfer any shares of Common Stock or other equity securities of the Company (other than those included in such offering pursuant to this Agreement), without the prior written consent of the Company, during the ninety (90)-day period (or such shorter time agreed to by the managing Underwriters) beginning on the date of pricing of such offering, except as expressly permitted by such lock-up agreement or in the event the managing Underwriters otherwise agree by written consent. Each such Holder agrees to execute a customary lock-up agreement in favor of the Underwriters to such effect (in each case on substantially the same terms and conditions as all such Holders).

2.4 Block Trades; Other Coordinated Offerings.

2.4.1 Notwithstanding any other provision of this Article II, but subject to Section 3.4, at any time and from time to time when an effective Shelf is on file with the Commission, if a Demanding Holder wishes to engage in (a) an underwritten registered offering not involving a “roadshow,” an offer commonly known as a “block trade” (a “**Block Trade**”), or (b) an “at the market” or similar registered offering through a broker, sales agent or distribution agent, whether as agent or principal (an “**Other Coordinated Offering**”), in each case, (x) with a total offering price of at least \$50 million in the aggregate or (y) with respect to all remaining Registrable Securities held by the Demanding Holder, then such Demanding Holder only needs to notify the Company of the Block Trade or Other Coordinated Offering at least five (5) business days prior to the day such offering is to commence and the Company shall use its commercially reasonable efforts to facilitate such Block Trade or Other Coordinated Offering; provided that the Demanding Holders representing a majority of the Registrable Securities wishing to engage in the Block Trade or Other Coordinated Offering shall use commercially reasonable efforts to work with the Company and any Underwriters, brokers, sales agents or placement agents prior to making such request in order to facilitate preparation of the registration statement, prospectus and other offering documentation related to the Block Trade or Other Coordinated Offering.

2.4.2 Prior to the filing of the applicable “red herring” prospectus or prospectus supplement used in connection with a Block Trade or Other Coordinated Offering, a majority-in- interest of the Demanding Holders initiating such Block Trade or Other Coordinated Offering shall have the right to submit a Withdrawal Notice to the Company, the Underwriter or Underwriters (if any) and any brokers, sales agents or placement agents (if any) of their intention to withdraw from such Block Trade or Other Coordinated Offering. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with a Block Trade or Other Coordinated Offering prior to its withdrawal under this Section 2.4.2.

2.4.3 Notwithstanding anything to the contrary in this Agreement, Section 2.2 shall not apply to a Block Trade or Other Coordinated Offering initiated by a Demanding Holder pursuant to this Agreement.

2.4.4 The Demanding Holder in a Block Trade or Other Coordinated Offering shall have the right to select the Underwriters and any brokers, sales agents or placement agents (if any) for such Block Trade or Other Coordinated Offering (in each case, which shall consist of one or more reputable nationally recognized investment banks).

2.4.5 A Demanding Holder in the aggregate may demand no more than (i) one (1) Block Trade pursuant to this Section 2.4 within any six (6) month period or (ii) two (2) Block Trades or Other Coordinated Offerings pursuant to this Section 2.4 in any twelve (12) month period. For the avoidance of doubt, any Block Trade or Other Coordinated Offering effected pursuant to this Section 2.4 shall not be counted as a demand for an Underwritten Shelf Takedown pursuant to Section 2.1.4 hereof.

ARTICLE III

COMPANY PROCEDURES

3.1 General Procedures. In connection with any Shelf and/or Shelf Takedown, the Company shall use its commercially reasonable efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended plan of distribution thereof, and pursuant thereto the Company shall:

3.1.1 prepare and file with the Commission as soon as practicable a Registration Statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such Registration Statement to become effective and remain effective until all Registrable Securities covered by such Registration Statement are sold in accordance with the intended plan of distribution set forth in such Registration Statement or have ceased to be Registrable Securities;

3.1.2 prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement, and such supplements to the Prospectus, as may be reasonably requested by any Holder that holds at least five percent (5%) of the Registrable Securities registered on such Registration Statement or any Underwriter of Registrable Securities or as may be required by the rules, regulations or instructions applicable to the registration form used by the Company or by the Securities Act or rules and regulations thereunder to keep the Registration Statement effective until all Registrable Securities covered by such Registration Statement are sold in accordance with the intended plan of distribution set forth in such Registration Statement or supplement to the Prospectus or have ceased to be Registrable Securities;

3.1.3 prior to filing a Registration Statement or Prospectus, or any amendment or supplement thereto, furnish without charge to the Underwriters, if any, and the Holders of Registrable Securities included in such Registration, the FF Beneficial Investor (provided that the FF Investor remains a Holder holding such Registrable Securities) and such Holders' legal counsel, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein), the Prospectus included in such Registration Statement (including each preliminary Prospectus), and such other documents as the Underwriters and the Holders of Registrable Securities included in such Registration or the FF Beneficial Investor or the legal counsel for any such Holders may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holders; provided that the Company shall have no obligation to furnish any documents publicly filed or furnished with the Commission pursuant to the Electronic Data Gathering, Analysis and Retrieval System ("EDGAR");

3.1.4 prior to any public offering of Registrable Securities, use its commercially reasonable efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or “blue sky” laws of such jurisdictions in the United States as the Holders of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request (or provide evidence satisfactory to such Holders that the Registrable Securities are exempt from such registration or qualification) and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable the Holders of Registrable Securities included in such Registration Statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify or take any action to which it would be subject to general service of process or taxation in any such jurisdiction where it is not then otherwise so subject;

3.1.5 cause all such Registrable Securities to be listed on each national securities exchange on which similar securities issued by the Company are then listed;

3.1.6 provide a transfer agent or warrant agent, as applicable, and registrar for all such Registrable Securities no later than the effective date of such Registration Statement;

3.1.7 advise each seller of such Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its commercially reasonable efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

3.1.8 at least five (5) days prior to the filing of any Registration Statement or Prospectus or any amendment or supplement to such Registration Statement or Prospectus (or such shorter period of time as may be (a) necessary in order to comply with the Securities Act, the Exchange Act, and the rules and regulations promulgated under the Securities Act or Exchange Act, as applicable or (b) advisable in order to reduce the number of days that sales are suspended pursuant to Section 3.4), furnish a copy thereof to each seller of such Registrable Securities or its counsel (excluding any exhibits thereto and any filing made under the Exchange Act that is to be incorporated by reference therein);

3.1.9 notify the Holders and the FF Beneficial Investor at any time when a Prospectus relating to such Registration Statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes a Misstatement, and then to correct such Misstatement as set forth in Section 3.4;

3.1.10 in the event of an Underwritten Offering, a Block Trade, an Other Coordinated Offering, or sale by a broker, placement agent or sales agent pursuant to such Registration, in each of the following cases to the extent customary for a transaction of its type, permit a representative of the Holders, the Underwriters or other financial institutions facilitating such Underwritten Offering, Block Trade, Other Coordinated Offering or other sale pursuant to

such Registration, if any, and any attorney, consultant or accountant retained by such Holders or Underwriter to participate, at each such person's or entity's own expense, in the preparation of the Registration Statement, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such representative, Underwriter, financial institution, attorney, consultant or accountant in connection with the Registration; provided, however, that such representatives, Underwriters or financial institutions agree to confidentiality arrangements in form and substance reasonably satisfactory to the Company, prior to the release or disclosure of any such information;

3.1.11 obtain a "comfort" letter from the Company's independent registered public accountants in the event of an Underwritten Offering, a Block Trade, an Other Coordinated Offering or sale by a broker, placement agent or sales agent pursuant to such Registration (subject to such broker, placement agent or sales agent providing such certification or representation reasonably requested by the Company's independent registered public accountants and the Company's counsel) in customary form and covering such matters of the type customarily covered by "cold comfort" letters for a transaction of its type as the managing Underwriter may reasonably request, and reasonably satisfactory to a majority-in-interest of the participating Holders;

3.1.12 in the event of an Underwritten Offering, a Block Trade, an Other Coordinated Offering or sale by a broker, placement agent or sales agent pursuant to such Registration, on the date the Registrable Securities are delivered for sale pursuant to such Registration, to the extent customary for a transaction of its type, obtain an opinion, dated such date, of counsel representing the Company for the purposes of such Registration, addressed to the participating Holders and the FF Beneficial Investor, the broker, placement agents or sales agent, if any, and the Underwriters, if any, covering such legal matters with respect to the Registration in respect of which such opinion is being given as the participating Holders, the FF Beneficial Investor, broker, placement agent, sales agent or Underwriter may reasonably request and as are customarily included in such opinions and negative assurance letters;

3.1.13 in the event of any Underwritten Offering, a Block Trade, an Other Coordinated Offering or sale by a broker, placement agent or sales agent pursuant to such Registration, enter into and perform its obligations under an underwriting or other purchase or sales agreement, in usual and customary form, with the managing Underwriter or the broker, placement agent or sales agent of such offering or sale;

3.1.14 make available to its security holders, through the timely filing of reports required pursuant to Section 13(a) or 15(d) of the Exchange Act, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the Registration Statement which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any successor rule then in effect);

3.1.15 with respect to an Underwritten Offering pursuant to Section 2.1.4, use its commercially reasonable efforts to make available senior executives of the Company to participate in customary "road show" presentations that may be reasonably requested by the Underwriter in such Underwritten Offering; and

3.1.16 otherwise, in good faith, cooperate reasonably with, and take such customary actions as may reasonably be requested by the participating Holders or the FF Beneficial Investor, consistent with the terms of this Agreement, in connection with such Registration.

Notwithstanding the foregoing, the Company shall not be required to provide any documents or information to an Underwriter, broker, sales agent or placement agent if such Underwriter, broker, sales agent or placement agent has not then been named with respect to the applicable Underwritten Offering or other offering involving a registration as an Underwriter, broker, sales agent or placement agent, as applicable.

3.2 Registration Expenses. The Registration Expenses of all Registrations shall be borne by the Company. It is acknowledged by the Holders that the Holders shall bear all incremental selling expenses relating to the sale of Registrable Securities, such as Underwriters' commissions and discounts, brokerage fees, Underwriter marketing costs and, other than as set forth in the definition of "Registration Expenses," all reasonable fees and expenses of any legal counsel representing the Holders.

3.3 Requirements for Participation in Registration Statement in Offerings. Notwithstanding anything in this Agreement to the contrary, if any Holder does not provide the Company with its requested Holder Information, the Company may exclude such Holder's Registrable Securities from the applicable Registration Statement or Prospectus if the Company determines, based on the advice of counsel, that it is necessary or advisable to include such information in the applicable Registration Statement or Prospectus and such Holder continues thereafter to withhold such information. In addition, no person or entity may participate in any Underwritten Offering or other offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person or entity (i) agrees to sell such person's or entity's securities on the basis provided in any underwriting, sales, distribution or placement arrangements approved by the Company and (ii) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting or other agreements and other customary documents as may be reasonably required under the terms of such underwriting, sales, distribution or placement arrangements. For the avoidance of doubt, the exclusion of a Holder's Registrable Securities as a result of this Section 3.3 shall not affect the registration of the other Registrable Securities to be included in such Registration.

3.4 Suspension of Sales; Adverse Disclosure; Restrictions on Registration Rights.

3.4.1 Upon receipt of written notice from the Company that: (a) a Registration Statement or Prospectus contains a Misstatement; (b) any request by the Commission for any amendment or supplement to any Registration Statement or Prospectus or for additional information or of the occurrence of an event requiring the preparation of a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of the securities covered by such Registration Statement or Prospectus, such Registration Statement or Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; or (c) upon any suspension by the Company, pursuant to a written insider trading compliance program adopted by the Board, of the ability of all "insiders" covered by such program to transact in the Company's securities because of the existence of material non-public information, each of the Holders shall forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement covering such Registrable Securities until it has received copies of a supplemented or amended Prospectus (it being understood that the Company hereby covenants to prepare and file such

supplement or amendment as soon as reasonably practicable after the time of such notice), until the restriction on the ability of “insiders” to transact in the Company’s securities is removed, or until it is advised in writing by the Company that the use of the Prospectus may be resumed, and, if so directed by the Company, each such Holder will deliver to the Company all copies, other than permanent file copies then in such Holder’s possession, of the most recent Prospectus covering such Registrable Securities at the time of receipt of such notice.

3.4.2 Subject to Section 3.4.4, if the filing, initial effectiveness or continued use of a Registration Statement in respect of any Registration at any time would (a) require the Company to make an Adverse Disclosure, (b) require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company’s control, or (c) in the good faith judgment of the majority of the Board such Registration, be detrimental to the Company and the majority of the Board concludes as a result that it is advisable to defer such filing, initial effectiveness or continued use at such time, the Company may, upon giving prompt written notice of such action to the Holders and the FF Beneficial Investor (which notice shall not specify the nature of the event giving rise to such delay or suspension), delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for such period of time determined in good faith by the Company to be necessary for such purpose. In the event the Company exercises its rights under this Section 3.4.2, the Holders agree to suspend, immediately upon their receipt of the notice referred to above, their use of the Prospectus relating to any Registration in connection with any sale or offer to sell Registrable Securities until such Holder receives written notice from the Company that such sales or offers of Registrable Securities may be resumed, and in each case maintain the confidentiality of such notice and its contents.

3.4.3 Subject to Section 3.4.4, (a) during the period starting with the date sixty (60) days prior to the Company’s good faith estimate of the date of the filing of, and ending on a date one hundred and twenty (120) days after the effective date of, a Company-initiated Registration and provided that the Company continues to actively employ, in good faith, all commercially reasonable efforts to maintain the effectiveness of the applicable Shelf Registration Statement, or (b) if, pursuant to Section 2.1.4, Holders (or the FF Beneficial Investor) have requested an Underwritten Shelf Takedown and the Company and Holders are unable to obtain the commitment of underwriters to firmly underwrite such offering, the Company may, upon giving prompt written notice of such action to the Holders (or the FF Beneficial Investor, if applicable), delay any other registered offering pursuant to Section 2.1.4 or 2.4.

3.4.4 The right to delay or suspend any filing, initial effectiveness or continued use of a Registration Statement pursuant to Section 3.4.2 or a registered offering pursuant to Section 3.4.3 shall be exercised by the Company, in the aggregate, for not more than ninety (90) consecutive calendar days or more than one hundred and twenty (120) total calendar days in each case, during any twelve (12)-month period.

3.5 Reporting Obligations. As long as any Holder shall own Registrable Securities (or in the case of the FF Investor, as long as it is the holder of Registrable Securities), the Company, at all times while it shall be a reporting company under the Exchange Act, covenants to file timely (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to Sections 13(a) or 15(d) of the Exchange Act and to promptly furnish the Holders and the FF Beneficial Investor with true and complete copies of all such filings; provided that any documents publicly filed or

furnished with the Commission pursuant to EDGAR shall be deemed to have been furnished or delivered to the Holders pursuant to this Section 3.5. The Company further covenants that it shall take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell shares of Common Stock held by such Holder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule then in effect). Upon the request of any Holder, the Company shall deliver to such Holder (and to the FF Beneficial Investor in the case that the FF Investor has made such request) a written certification of a duly authorized officer as to whether it has complied with such requirements.

ARTICLE IV

INDEMNIFICATION AND CONTRIBUTION

4.1 Indemnification.

4.1.1 The Company agrees to indemnify, to the extent permitted by law, each Holder of Registrable Securities (which for the purposes of this Section 4.1 shall include the FF Beneficial Investor for so long as the FF Investor is a holder of Registrable Securities), its officers, directors and agents and each person or entity who controls such Holder (within the meaning of the Securities Act), against all losses, claims, damages, liabilities and out-of-pocket expenses (including, without limitation, reasonable and documented outside attorneys' fees) resulting from any untrue or alleged untrue statement of material fact contained in or incorporated by reference in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information or affidavit so furnished in writing to the Company by such Holder expressly for use therein. The Company shall indemnify the Underwriters, their officers and directors and each person or entity to controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to the indemnification of the Holder.

4.1.2 In connection with any Registration Statement in which a Holder of Registrable Securities is participating, such Holder shall furnish (or cause to be furnished) to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus (the "**Holder Information**") and, to the extent permitted by law, shall indemnify the Company, its directors, officers and agents and each person or entity who controls the Company (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and out-of-pocket expenses (including, without limitation, reasonable and documented outside attorneys' fees) resulting from any untrue or alleged untrue statement of material fact contained or incorporated by reference in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement is contained in (or not contained in, in the case of an omission) any information or affidavit so furnished in writing by or on behalf of such Holder expressly for use therein; provided, however, that the obligation to indemnify shall be several, not joint and several, among such Holders of Registrable Securities, and the liability of each such Holder of Registrable Securities shall be in proportion to

and limited to the net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Registration Statement. The Holders of Registrable Securities shall indemnify the Underwriters, their officers, directors and each person or entity who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to indemnification of the Company.

4.1.3 Any person or entity entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's or entity's right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement includes a statement or admission of fault and culpability on the part of such indemnified party or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

4.1.4 The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person or entity of such indemnified party and shall survive the transfer of securities. The Company and each Holder of Registrable Securities participating in an offering also agrees to make such provisions as are reasonably requested by any indemnified party for contribution to such party in the event the Company's or such Holder's indemnification is unavailable for any reason.

4.1.5 If the indemnification provided under Section 4.1 from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and out-of-pocket expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and out-of-pocket expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by (or not made by, in the case of an omission), or relates to information supplied by (or not supplied by in the case of an omission), such indemnifying party or indemnified party, and the indemnifying party's and

indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action; provided, however, that the liability of any Holder under this Section 4.1.5 shall be limited to the amount of the net proceeds received by such Holder in such offering giving rise to such liability. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 4.1.1, 4.1.2 and 4.1.3 above, any legal or other fees, charges or out-of-pocket expenses reasonably incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 4.1.5 were determined by pro rata allocation or by any other method of allocation, which does not take account of the equitable considerations referred to in this Section 4.1.5. No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this Section 4.1.5 from any person or entity who was not guilty of such fraudulent misrepresentation.

ARTICLE V

LOCK-UP

5.1 Lock-Up. Subject to Section 5.2, each Lock-up Party agrees that it shall not Transfer any Lock-up Shares prior to the end of the Lock-up Period (the "***Lock-up***").

5.2 Permitted Transferees. Notwithstanding the provisions set forth in Section 5.1, each Lock-up Party may Transfer the Lock-up Shares during the Lock-up Period (a) to (i) the Company's officers or directors, (ii) any affiliates or family members of the Company's officers or directors, (iii) any direct or indirect partners, members or equity holders of such Lock-up Party, or any related investment funds or vehicles controlled or managed by such persons or entities or their respective affiliates, or (iv) any other Lock-up Party or any direct or indirect partners, members or equity holders of such other Lock-up Party, any affiliates of such other Lock-up Party or any related investment funds or vehicles controlled or managed by such persons or entities or their respective affiliates, (b) in the case of an individual, by gift to a member of the individual's immediate family or to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person or entity, or to a charitable organization, (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual, (d) in the case of an individual, pursuant to a qualified domestic relations order, (e) in the case of a trust, by distribution to one or more of the permissible beneficiaries of such trust, (f) to the partners, members or equity holders of such Lock-up Party by virtue of the Lock-up Party's organizational documents, as amended, upon dissolution of the Lock-up Party, (g) in connection with any bona fide mortgage, encumbrance or pledge to a financial institution in connection with any bona fide loan or debt transaction or enforcement thereunder, (h) to the Company, (i) in connection with a liquidation, merger, stock exchange, reorganization, tender offer approved by the Board or a duly authorized committee thereof or other similar transaction which results in all of the Company's stockholders having the right to exchange their shares of Common Stock for cash, securities or other property subsequent to the Closing Date; or (j) in the case of the FF Investor and the FF Beneficial Investor, to any FF Permitted Transferee. The parties acknowledge and agree that any Permitted Transferee of a Lock-up Party shall be subject to the transfer restrictions set forth in this ARTICLE V with respect to the Lock-Up Shares upon and after acquiring such Lock-Up Shares.

ARTICLE VI

MISCELLANEOUS

6.1 Notices. Any notice or communication under this Agreement must be in writing and given by (i) deposit in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, (ii) delivery in person or by courier service providing evidence of delivery, or (iii) transmission by hand delivery, electronic mail or facsimile. Each notice or communication that is mailed, delivered, or transmitted in the manner described above shall be deemed sufficiently given, served, sent, and received, in the case of mailed notices, on the third business day following the date on which it is mailed and, in the case of notices delivered by courier service, hand delivery, electronic mail or facsimile, at such time as it is delivered to the addressee (with the delivery receipt or the affidavit of messenger) or at such time as delivery is refused by the addressee upon presentation. Any notice or communication under this Agreement must be addressed, if to the Company, to: Vector Acquisition Delaware Corporation, 3881 McGowen Street, Long Beach, CA 90808, Attention: Adam Spice or by email: a.spice@rocketlabusa.com, and, if to any Holder, at such Holder's address, electronic mail address or facsimile number as set forth in the Company's books and records. Any party may change its address for notice at any time and from time to time by written notice to the other parties hereto, and such change of address shall become effective thirty (30) days after delivery of such notice as provided in this Section 6.1.

6.2 Assignment; No Third Party Beneficiaries.

6.2.1 This Agreement and the rights, duties and obligations of the Company hereunder may not be assigned or delegated by the Company in whole or in part.

6.2.2 Subject to Section 6.2.4 and Section 6.2.5, this Agreement and the rights, duties and obligations of a Holder hereunder may be assigned in whole or in part to such Holder's Permitted Transferees to which it transfers Registrable Securities; provided that with respect to the Sponsor, the Vector Holders and the Target Holders, the rights hereunder that are personal to such Holders may not be assigned or delegated in whole or in part, except that (i) the Sponsor shall be permitted to transfer its rights hereunder as the Sponsor to one or more affiliates or any direct or indirect partners, members or equity holders of the Sponsor (including Sponsor Members), which, for the avoidance of doubt, shall include a transfer of its rights in connection with a distribution of any Registrable Securities held by Sponsor to Sponsor Members (it being understood that no such transfer shall reduce or multiply any rights of the Sponsor or such transferees), (ii) each of the Vector Holders shall be permitted to transfer its rights hereunder as the Vector Holders to one or more affiliates or any direct or indirect partners, members or equity holders of such Vector Holder (it being understood that no such transfer shall reduce or multiply any rights of such Vector Holder or such transferees) and (iii) each of the Target Holders shall be permitted to transfer its rights hereunder as the Target Holders to one or more affiliates or any direct or indirect partners, members or equity holders of such Target Holder (it being understood that no such transfer shall reduce or multiply any rights of such Target Holder or such transferees).

6.2.3 This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and its successors and the permitted assigns of the Holders, which shall include Permitted Transferees (and in the case of the FF Investor and the FF Beneficial Investor, shall also include any FF Permitted Transferee).

6.2.4 This Agreement shall not confer any rights or benefits on any persons or entities that are not parties hereto, other than as expressly set forth in this Agreement and Section 6.2.

6.2.5 No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon or obligate the Company unless and until the Company shall have received (i) written notice of such assignment as provided in Section 6.1 hereof and (ii) the written agreement of the assignee, in a form reasonably satisfactory to the Company, to be bound by the terms and provisions of this Agreement (which may be accomplished by an addendum or certificate of joinder to this Agreement, including the joinder in the form of Exhibit A attached hereto). Any transfer or assignment made other than as provided in this Section 6.2 shall be null and void. Notwithstanding the foregoing, the FF Investor and the FF Beneficial Investor may transfer or assign any of their respective rights or obligations under this Agreement, without prior written consent, to any FF Permitted Transferee, or otherwise with the consent of the Company. Following such transfer or assignment to a FF Permitted Transferee, the FF Permitted Transferee shall be entitled to receive the benefit of the terms of this Agreement, as if such FF Permitted Transferee had executed this Agreement.

6.3 Counterparts. This Agreement may be executed in multiple counterparts (including facsimile or PDF counterparts), each of which shall be deemed an original, and all of which together shall constitute the same instrument, but only one of which need be produced.

6.4 Governing Law; Venue. NOTWITHSTANDING THE PLACE WHERE THIS AGREEMENT MAY BE EXECUTED BY ANY OF THE PARTIES HERETO, THE PARTIES EXPRESSLY AGREE THAT (1) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF NEW YORK AND (2) THE VENUE FOR ANY ACTION TAKEN WITH RESPECT TO THIS AGREEMENT SHALL BE ANY STATE OR FEDERAL COURT IN NEW YORK COUNTY IN THE STATE OF NEW YORK

6.5 **TRIAL BY JURY**. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

6.6 Amendments and Modifications. Upon the written consent of (a) the Company and (b) the Holders of a majority of the total Registrable Securities, compliance with any of the provisions, covenants and conditions set forth in this Agreement may be waived, or any of such provisions, covenants or conditions may be amended or modified; provided, however, that notwithstanding the foregoing, any amendment hereto or waiver hereof shall also require the written consent of the Sponsor so long as the Sponsor and its affiliates hold, in the aggregate, at least one percent (1%) of the outstanding shares of Common Stock of the Company; provided, further, that notwithstanding the foregoing, any amendment hereto or waiver hereof shall also require the written consent of each Target Holder so long as such Target Holder and its respective

affiliates hold, in the aggregate, at least one percent (1%) of the outstanding shares of Common Stock of the Company; and provided, further, that any amendment hereto or waiver hereof that adversely affects one Holder, solely in its capacity as a holder of the shares of capital stock of the Company, in a manner that is materially different from the other Holders (in such capacity) shall require the consent of the Holder so affected. No course of dealing between any Holder or the Company and any other party hereto or any failure or delay on the part of a Holder or the Company in exercising any rights or remedies under this Agreement shall operate as a waiver of any rights or remedies of any Holder or the Company. No single or partial exercise of any rights or remedies under this Agreement by a party shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or thereunder by such party.

6.7 Other Registration Rights. Other than the certain Holders and Third-Party Investor Stockholders who each have registration rights with respect to their Investor Shares pursuant to their respective Subscription Agreements, the Company represents and warrants that no person or entity, other than a Holder of Registrable Securities or the FF Beneficial Investor (for so long as the FF Investor is a Holder of Registrable Securities), has any right to require the Company to register any securities of the Company for sale or to include such securities of the Company in any Registration Statement filed by the Company for the sale of securities for its own account or for the account of any other person or entity. The Company hereby agrees and covenants that it will not grant rights to register any Common Stock (or securities convertible into or exchangeable for Common Stock) pursuant to the Securities Act that are more favorable, *pari passu* or senior to those granted to the Holders hereunder without (a) the prior written consent of (i) the Sponsor, for so long as the Sponsor and its affiliates hold, in the aggregate, Registrable Securities representing at least one percent (1%) of the outstanding shares of Common Stock of the Company, and (ii) a Target Holder, for so long as such Target Holder and its affiliates hold, in the aggregate, Registrable Securities representing at least one percent (1%) of the outstanding shares of Common Stock of the Company, or (b) granting economically and legally equivalent rights to the Holders hereunder such that the Holders shall receive the benefit of such more favorable or senior terms and/or conditions. Further, the Company represents and warrants that this Agreement supersedes any other registration rights agreement or agreement with similar terms and conditions and in the event of a conflict between any such agreement or agreements and this Agreement, the terms of this Agreement shall prevail.

6.8 Term. This Agreement shall terminate on the earlier of (a) the tenth (10th) anniversary of the date of this Agreement and (b) with respect to any Holder, on the date that such Holder no longer holds any Registrable Securities. The provisions of Section 3.5 and Article IV shall survive any termination.

6.9 Holder Information. Each Holder agrees, if requested in writing, to represent to the Company the total number of Registrable Securities held by such Holder in order for the Company to make determinations hereunder.

6.10 Additional Holders; Joinder. In addition to persons or entities who may become Holders pursuant to Section 6.2 hereof, subject to the prior written consent of each of the Sponsor (so long as the Sponsor and its affiliates hold, in the aggregate, Registrable Securities representing at least one percent (1%) of the outstanding shares of Common Stock of the Company) and each Target Holder (in each case, so long as such Target Holder and its affiliates hold, in the aggregate, Registrable Securities representing at least one percent (1%) of the outstanding shares of Common

Stock of the Company), the Company may make any person or entity who acquires Common Stock or rights to acquire Common Stock after the date hereof a party to this Agreement (each such person or entity, an “**Additional Holder**”) by obtaining an executed joinder to this Agreement from such Additional Holder in the form of Exhibit A attached hereto (a “**Joinder**”). Such Joinder shall specify the rights and obligations of the applicable Additional Holder under this Agreement. Upon the execution and delivery and subject to the terms of a Joinder by such Additional Holder, the Common Stock then owned, or underlying any rights then owned, by such Additional Holder (the “**Additional Holder Common Stock**”) shall be Registrable Securities to the extent provided herein and therein and such Additional Holder shall be a Holder under this Agreement with respect to such Additional Holder Common Stock.

6.11 Severability. It is the desire and intent of the parties that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6.12 Entire Agreement; Restatement. This Agreement constitutes the full and entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. Upon the Closing, the Original RRA shall no longer be of any force or effect.

6.13 Adjustments. If, and as often as, there are any changes in the Registrable Securities by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization, recapitalization or sale, or by any other means, appropriate adjustment shall be made in the provisions of this Agreement, as may be required, so that the rights, privileges, duties and obligations hereunder shall continue with respect to the Registrable Securities as so changed.

6.14 The Northern Trust Company Limitation of Liability. The FF Investor enters into and is liable under (a) this Agreement, (b) any other document or agreement which the FF Investor may be required to provide under this Agreement and (c) any document or agreement executed by the Company or any other person as agent or attorney of the FF Investor under this Agreement, only in its capacity as custodian for the FF Beneficial Investor, and to the extent that it is actually indemnified by the FF Beneficial Investor. To the extent that this Section 6.14 operates to reduce the amounts for which the FF Investor would otherwise be liable to any person, the FF Beneficial Investor will pay or procure the payment of such shortfall to such person.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

Vector Acquisition Partners, L.P.

/s/ Alex Slusky
Name: Alex Slusky
Title:

David Kennedy

/s/ David Kennedy
Name: David Kennedy

John Herr

/s/ John Herr
Name: John Herr

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

KHOSLA VENTURES SEED B, L.P.

By: Khosla Ventures Seed Associates B, LLC, a Delaware limited liability company and general partner of Khosla Ventures Seed B, LP

By: /s/ John Demeter

Name: John Demeter

Title: General Counsel

Address:

2128 Sand Hill Road

Menlo Park, CA 94025

KHOSLA VENTURES SEED B (CF), L.P.

By: Khosla Ventures Seed Associates B, LLC, a Delaware limited liability company and general partner of Khosla Ventures Seed B (CF), LP

By: /s/ John Demeter

Name: John Demeter

Title: General Counsel

Address:

2128 Sand Hill Road

Menlo Park, CA 94025

KHOSLA VENTURES V, LP

By: Khosla Ventures Associates V, LLC, a Delaware limited liability company and general partner of Khosla Ventures V, LP

By: /s/ John Demeter

Name: John Demeter

Title: General Counsel

Address:

2128 Sand Hill Road

Menlo Park, CA 94025

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

DCVC OPPORTUNITY FUND II, L.P.

on behalf of itself and as nominee for certain affiliated entities

By: **DCVC Opportunity Fund II GP, LLC**

Its: General Partner

By: /s/ Zachary Brogue

Name: Zachary Bogue

Title: Managing Member

Address:

317 University Avenue, Suite 200

Palo Alto, CA 94301

finance@dcvc.com

DATA COLLECTIVE IV, L.P.

By: /s/ Zachary Brogue

Name: Zachary Bogue

Title: Managing Member

Address:

317 University Avenue, Suite 200

Palo Alto, CA 94301

finance@dcvc.com

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

GREENSPRING GLOBAL PARTNERS VII-A, L.P.

By: Greenspring General Partner VII, L.P., its General Partner

By: Greenspring GP VII, Ltd., its General Partner

By: /s/ Eric Thompson

Name: Eric Thompson

Title: Chief Operating Officer

Address: 100 Painters Mill Road, Suite
700 Owings Mills, MD 21117

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

GREENSPRING GLOBAL PARTNERS VII-C, L.P.

By: Greenspring General Partner VII, L.P., its
General Partner

By: Greenspring GP VII, Ltd., its General Partner

By: /s/ Eric Thompson

Name: Eric Thompson

Title: Chief Operating Officer

Address: 100 Painters Mill Road, Suite 700
Owings Mills, MD 21117

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

GREENSPRING OPPORTUNITIES IV, L.P

By: Greenspring General Partner VII, L.P., its
General Partner

By: Greenspring GP VII, Ltd., its General Partner

By: Greenspring Associates, Inc., its sole member

By: /s/ Eric Thompson

Name: Eric Thompson

Title: Chief Operating Officer

Address: 100 Painters Mill Road, Suite 700
Owings Mills, MD 21117

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

GREENSPRING MASTER G, L.P.

By: Greenspring General Partner VII, L.P., its
General Partner

By: Greenspring GP VII, Ltd., its General Partner

By: /s/ Eric Thompson

Name: Eric Thompson

Title: Chief Operating Officer

Address: 100 Painters Mill road, Suite 700
Owings Mills, MD 21117

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

**GREENSPRING SECONDARIES FUND III,
L.P.**

By: Greenspring General Partner VII, L.P., its
General Partner

By: Greenspring GP VII, Ltd., its General Partner

By: /s/ Eric Thompson

Name: Eric Thompson

Title: Chief Operating Officer

Address: 100 Painters Mill Road, Suite 700
Owings Mills, MD 21117

[Signature Page to Second Amended and Restated Registration Rights Agreement]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

HOLDERS:

EXECUTED on behalf of **THE NORTHERN TRUST COMPANY (ABN 62 126 279 918)**, a company incorporated in the State of Illinois in the United States of America, in its capacity as custodian for the Future Fund Investment Company No.5 Pty Ltd (ACN 134 338 926), by James McLaren being a person who, in accordance with) the laws of that territory, is acting under) the authority of the company:
)
)
)
)
) /s/ James McLaren
) By executing this agreement the signatory warrants that the signatory is
) duly authorized to execute this agreement on behalf of **THE**
) **NORTHERN TRUST COMPANY**
)
)
)
)
)
)

FF BENEFICIAL INVESTOR:

Signed for Future Fund Investment Company No.5 Pty Ltd (ACN 134 338 926) by its attorney under power of attorney dated 10 July 2019 (who, by signing, confirms they have received no notice of revocation of that power):

/s/ Kylie Yong
Attorney Signature

Kylie Yong
Print Name

23 August 2021
Date

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

BESSEMER VENTURE PARTNERS VIII L.P.

**BESSEMER VENTURE PARTNERS VIII
INSTITUTIONAL L.P.**

By: Deer VIII & Co. L.P., their General Partner

By: Deer VIII & Co. Ltd., its General Partner

By: /s/ Scott Ring

Name: Scott Ring

Title: General Counsel

Address:

c/o Bessemer Venture Partners

1865 Palmer Avenue

Suite 104

Larchmont, NY 10538

Tel. 914-833-5300

Transactions@bvp.com

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

By: /s/ Peter Beck

Name: Peter Beck

Title: President and CEO

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

By: /s/ Michael Griffin

Name: Michael Griffin

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

By: /s/ Merline Saintil

Name: Merline Saintil

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

By: /s/ Jon Olson

Name: Jon Olson

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

EQUATORIAL TRUST

By: Peek Street Equatorial Trust Limited, its trustee

By: /s/ Warren Butler

Name: Warren Butler

Title: Director

By: /s/ Peter Beck

Name: Peter Beck

Title: Director

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

By: /s/ Adam Spice

Name: Adam Spice

[Signature Page to Second Amended and Restated Registration Rights Agreement]

HOLDERS:

By: /s/ Shaun O'Donnell

Name: Shaun O'Donnell

[Signature Page to Second Amended and Restated Registration Rights Agreement]

Schedule 1 Target Holders

Peter Beck

Michael Griffin

Jon Olson

Merline Saintil

Khosla Ventures Seed B, LP

Khosla Ventures Seed B (CF), LP

Khosla Ventures V, LP

Bessemer Venture Partners VIII Institutional L.P.

Bessemer Venture Partners VIII L.P. Data Collective IV, L.P.

DCVC Opportunity Fund II, L.P.

Data Collective IV, L.P.

The Northern Trust Company, a company incorporated in the State of Illinois in the United States of America, in its capacity as custodian for Future Fund Investment Company No.5 Pty Ltd

Greenspring Global Partners VII-A, L.P.

Greenspring Global Partners VII-C, L.P.

Greenspring Opportunities IV, L.P.

Greenspring Master G, L.P.

Greenspring Secondaries Fund III, L.P.

Vector Acquisition Delaware Corporation

Vector Acquisition Partners, L.P.

Shaun O'Donnell

Adam Spice

Equatorial Trust

REGISTRATION RIGHTS AGREEMENT JOINDER

Accordingly, the undersigned has executed and delivered this Joinder as of the day of , 20 .

By: _____
Name: _____
Its: _____

ROCKET LAB USA, INC.

SECOND AMENDED AND RESTATED
2013 STOCK OPTION AND GRANT PLAN¹SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Rocket Lab USA, Inc. Second Amended and Restated 2013 Stock Option and Grant Plan (the “Plan”). The purpose of the Plan is to encourage and enable the officers, employees, directors, Consultants and other key persons of Rocket Lab USA, Inc., a Delaware corporation formerly known as Vector Acquisition Delaware Corporation and the surviving corporation following the merger of Rocket Lab USA, Inc. with and into Vector Acquisition Delaware Corporation with the surviving corporation being renamed “Rocket Lab USA, Inc.” (including any successor entity, the “Company”) and its Subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

The following terms shall be defined as set forth below:

“*Affiliate*” of any Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

“*Award*” or “*Awards*,” except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units or any combination of the foregoing.

“*Award Agreement*” means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement may contain terms and conditions in addition to those set forth in the Plan; *provided, however*, in the event of any conflict in the terms of the Plan and the Award Agreement, the terms of the Plan shall govern.

“*Board*” means the Board of Directors of the Company.

“*Cause*” shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of “*Cause*,” it shall mean (i) the grantee’s dishonest statements or acts with respect to the Company or any Affiliate of the Company, or any current or prospective customers, suppliers vendors or other third parties with which such entity

¹ The Plan has been adjusted pursuant to Section 3(b) to reflect the closing of the business combination transactions contemplated by that certain Agreement and Plan of Merger by and between Rocket Lab USA, Inc., Vector Acquisition Corporation and Prestige USA Merger Sub, Inc., dated as of March 1, 2021, as amended by Amendment No. 1 thereto, dated as of May 7, 2021 and Amendment No. 2 dated thereto, dated as of June 25, 2021 (the “Merger Agreement”), and such adjustment are reflected herein.

does business; (ii) the grantee's commission of (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the grantee's failure to perform his assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the grantee by the Company; (iv) the grantee's gross negligence, willful misconduct or insubordination with respect to the Company or any Affiliate of the Company; or (v) the grantee's material violation of any provision of any agreement(s) between the grantee and the Company relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

"*Chief Executive Officer*" means the Chief Executive Officer of the Company or, if there is no Chief Executive Officer, then the President of the Company.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Committee*" means the Committee of the Board referred to in Section 2.

"*Consultant*" means any natural person that provides bona fide services to the Company (including a Subsidiary), and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

"*Disability*" means "disability" as defined in Section 422(c) of the Code.

"*Effective Date*" means the date on which the Plan is adopted as set forth on the final page of the Plan.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"*Fair Market Value*" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Committee based on the reasonable application of a reasonable valuation method not inconsistent with Section 409A of the Code. If the Stock is admitted to trade on a national securities exchange, the determination shall be made by reference to the closing price reported on such exchange. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price. If the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's Initial Public Offering.

"*Good Reason*" shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of "Good Reason," it shall mean (i) a material diminution in the grantee's base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or (ii) a change of more than 50 miles in the geographic location at which the grantee provides services to the Company, so long as the grantee provides at least 90 days notice to the Company following the initial occurrence of any such event and the Company fails to cure such event within 30 days thereafter.

“Grant Date” means the date that the Committee designates in its approval of an Award in accordance with applicable law as the date on which the Award is granted, which date may not precede the date of such Committee approval.

“Holder” means, with respect to an Award or any Shares, the Person holding such Award or Shares, including the initial recipient of the Award or any Permitted Transferee.

“Incentive Stock Option” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“Initial Public Offering” means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which the Stock shall be publicly held.

“Non-Qualified Stock Option” means any Stock Option that is not an Incentive Stock Option.

“Option” or *“Stock Option”* means any option to purchase shares of Stock granted pursuant to Section 5.

“Permitted Transferees” shall mean any of the following to whom a Holder may transfer Shares hereunder (as set forth in Section 9(a)(ii)(A)): the Holder’s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Holder’s household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons control the management of assets, and any other entity in which these persons own more than fifty percent of the voting interests; *provided, however*, that any such trust does not require or permit distribution of any Shares during the term of the Award Agreement unless subject to its terms. Upon the death of the Holder, the term Permitted Transferees shall also include such deceased Holder’s estate, executors, administrators, personal representatives, heirs, legatees and distributees, as the case may be.

“Person” shall mean any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.

“Restricted Stock Award” means Awards granted pursuant to Section 6 and *“Restricted Stock”* means Shares issued pursuant to such Awards.

“Restricted Stock Unit” means an Award of phantom stock units to a grantee, which may be settled in cash or Shares as determined by the Committee, pursuant to Section 8.

“*Sale Event*” means the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons, or (v) any other acquisition of the business of the Company, as determined by the Board; *provided, however*, that the Company’s Initial Public Offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company’s domicile shall not constitute a “Sale Event.”

“*Section 409A*” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“*Securities Act*” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“*Service Relationship*” means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).

“*Shares*” means shares of Stock.

“*Stock*” means the Common Stock, par value \$0.0001 per share, of the Company.

“*Subsidiary*” means any corporation or other entity (other than the Company) in which the Company has more than a 50 percent interest, either directly or indirectly.

“*Ten Percent Owner*” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent of the Company or any Subsidiary.

“*Termination Event*” means the termination of the Award recipient’s Service Relationship with the Company and its Subsidiaries for any reason whatsoever, regardless of the circumstances thereof, and including, without limitation, upon death, disability, retirement, discharge or resignation for any reason, whether voluntarily or involuntarily. The following shall not constitute a Termination Event: (i) a transfer to the service of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another Subsidiary or (ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Committee, if the individual’s right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

“*Unrestricted Stock Award*” means any Award granted pursuant to Section 7 and “*Unrestricted Stock*” means Shares issued pursuant to such Awards.

SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT GRANTEEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Board, or at the discretion of the Board, by a committee of the Board, comprised of not less than two directors. All references herein to the "Committee" shall be deemed to refer to the group then responsible for administration of the Plan at the relevant time (i.e., either the Board of Directors or a committee or committees of the Board, as applicable).

(b) Powers of Committee. The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the amount, if any, of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award and, subject to the provisions of the Plan, the price, exercise price, conversion ratio or other price relating thereto;

(iv) to determine and, subject to Section 12, to modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of Award Agreements;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) to impose any limitations on Awards, including limitations on transfers, repurchase provisions and the like, and to exercise repurchase rights or obligations;

(vii) subject to Section 5(a)(ii) and any restrictions imposed by Section 409A, to extend at any time the period in which Stock Options may be exercised; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including Award Agreements); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Committee shall be binding on all persons, including the Company and all Holders.

(c) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award.

(d) Indemnification. Neither the Board nor the Committee, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's governing documents, including its certificate of incorporation or bylaws, or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(e) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and any Subsidiary operate or have employees or other individuals eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries, if any, shall be covered by the Plan; (ii) determine which individuals, if any, outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals.

(f) Delegation of Authority to Grant Options and Restricted Stock Units. Subject to applicable law, the Committee, in its discretion, may delegate to a committee, comprised of the Chief Executive Officer and one or more other officer(s) of the Company, the power to designate non-officer employees to be recipients of Options and/or Restricted Stock Units, and to determine the number of such Options and/or Restricted Stock Units to be received by such employee; provided, however, that the resolution so authorizing such committee shall specify the total number of Options and Restricted Stock Units the committee may so award and may not delegate to such committee the authority to set the exercise price of such Options or the vesting terms of such Options and Restricted Stock Units. Any such delegation by the Committee shall also provide that such committee may not grant Awards to himself or herself (or other officers) without the approval of the Committee. The Committee may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Committee's delegate or delegates that were consistent with the terms of the Plan.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS AND OTHER TRANSACTIONS; SUBSTITUTION

(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 41,504,127 Shares (or 44,858,041 Shares if the Company Earnout Shares (as defined in the Merger Agreement) are earned), subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited,

canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 415,041,279 Shares (or 448,580,420 Shares if the Company Earnout Shares (as defined in the Merger Agreement) are earned) may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional Shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, in each case, without the receipt of consideration by the Company, or, if, as a result of any merger or consolidation, or sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for other securities of the Company or any successor entity (or a parent or subsidiary thereof), the Committee shall make an appropriate and proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per Share subject to each outstanding Award, and (iv) the exercise price for each Share subject to any then outstanding Stock Options under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options) as to which such Stock Options remain exercisable. The Committee shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporation Code and the rules and regulations promulgated thereunder. The adjustment by the Committee shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) Sale Events.

(i) Options.

(A) In the case of and subject to the consummation of a Sale Event, the Plan and all outstanding Options issued hereunder shall terminate upon the effective time of any such Sale Event unless assumed or continued by the successor entity, or new stock options or other awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the termination of the Plan and all outstanding Options issued hereunder pursuant to Section 3(c), each Holder of Options shall be permitted, within a period of time prior to the consummation of the Sale Event as specified

by the Committee, to exercise all such Options which are then exercisable or will become exercisable as of the effective time of the Sale Event; *provided, however*, that the exercise of Options not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(i)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Options, without any consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the value as determined by the Committee of the consideration payable per share of Stock pursuant to the Sale Event (the "Sale Price") times the number of Shares subject to outstanding Options being cancelled (to the extent then vested and exercisable, including by reason of acceleration in connection with such Sale Event, at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding vested and exercisable Options.

(D) In the event of a Sale Event, the Board may resolve, in its sole discretion, to subject any assumed options or payments in respect of options to any escrow, holdback, indemnification, earn-out or similar provisions in the transaction agreements as such provisions apply to Holders of Common Stock.

(ii) Restricted Stock and Restricted Stock Unit Awards.

(A) In the case of and subject to the consummation of a Sale Event, all unvested Restricted Stock and unvested Restricted Stock Unit Awards (other than those becoming vested as a result of the Sale Event) issued hereunder shall be forfeited immediately prior to the effective time of any such Sale Event unless assumed or continued by the successor entity, or awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares subject to such awards as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the forfeiture of Restricted Stock pursuant to Section 3(c)(ii)(A), such Restricted Stock shall be repurchased from the Holder thereof at a price per share equal to the original per share purchase price paid by the Holder (subject to adjustment as provided in Section 3(b)) for such Shares.

(C) Notwithstanding anything to the contrary in Section 3(c)(ii)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Restricted Stock or Restricted Stock Unit Awards, without consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the Sale Price times the number of Shares subject to such Awards, to be paid at the time of such Sale Event or upon the later vesting of such Awards.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, directors, Consultants and key persons of the Company and any Subsidiary who are selected from time to time by the Committee in its sole discretion; provided, however, that Awards shall be granted only to those individuals described in Rule 701(c) of the Securities Act.

SECTION 5. STOCK OPTIONS

Upon the grant of a Stock Option, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

(a) Terms of Stock Options. The Committee in its discretion may grant Stock Options to those individuals who meet the eligibility requirements of Section 4. Stock Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable.

(i) Exercise Price. The exercise price per share for the Shares covered by a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price per share for the Shares covered by such Incentive Stock Option shall not be less than 110 percent of the Fair Market Value on the Grant Date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the Grant Date.

(iii) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable and/or vested at such time or times, whether or not in installments, as shall be determined by the Committee at or after the Grant Date. The Award Agreement may permit a grantee to exercise all or a portion of a Stock Option immediately at grant; provided that the Shares issued upon such exercise shall be subject to restrictions and a vesting schedule identical to the vesting schedule of the related Stock Option, such Shares shall be deemed to be Restricted Stock for purposes of the Plan, and the optionee may be required to enter into an additional or new Award Agreement as a condition to exercise of such Stock Option. An optionee shall have the rights of a stockholder only as to Shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options. An optionee shall not be deemed to have acquired any Shares unless and until a Stock Option shall have been exercised pursuant to the terms of the Award Agreement and this Plan and the optionee's name has been entered on the books of the Company as a stockholder.

(iv) Method of Exercise. Stock Options may be exercised by an optionee in whole or in part, by the optionee giving written or electronic notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the following methods (or any combination thereof) to the extent provided in the Award Agreement:

(A) In cash, by certified or bank check, by wire transfer of immediately available funds, or other instrument acceptable to the Committee;

(B) If permitted by the Committee, by the optionee delivering to the Company a promissory note, if the Board has expressly authorized the loan of funds to the optionee for the purpose of enabling or assisting the optionee to effect the exercise of his or her Stock Option; provided, that at least so much of the exercise price as represents the par value of the Stock shall be paid in cash if required by state law;

(C) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), through the delivery (or attestation to the ownership) of Shares that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. To the extent required to avoid variable accounting treatment under ASC 718 or other applicable accounting rules, such surrendered Shares if originally purchased from the Company shall have been owned by the optionee for at least six months. Such surrendered Shares shall be valued at Fair Market Value on the exercise date;

(D) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure; or

(E) If permitted by the Committee, and only with respect to Stock Options that are not Incentive Stock Options, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. No certificates for Shares so purchased will be issued to the optionee or, with respect to uncertificated Stock, no transfer to the optionee on the records of the Company will take place, until the Company has completed all steps it has deemed necessary to satisfy legal requirements relating to the issuance and sale of the Shares,

which steps may include, without limitation, (i) receipt of a representation from the optionee at the time of exercise of the Option that the optionee is purchasing the Shares for the optionee's own account and not with a view to any sale or distribution of the Shares or other representations relating to compliance with applicable law governing the issuance of securities, (ii) the legending of the certificate (or notation on any book entry) representing the Shares to evidence the foregoing restrictions, and (iii) obtaining from optionee payment or provision for all withholding taxes due as a result of the exercise of the Option. The delivery of certificates representing the shares of Stock (or the transfer to the optionee on the records of the Company with respect to uncertificated Stock) to be purchased pursuant to the exercise of a Stock Option will be contingent upon (A) receipt from the optionee (or a purchaser acting in his or her stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Award Agreement or applicable provisions of laws and (B) if required by the Company, the optionee shall have entered into any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Stock. In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Stock Option shall be net of the number of Shares attested to.

(b) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and any Subsidiary that become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(c) Termination. Any portion of a Stock Option that is not vested and exercisable on the date of termination of an optionee's Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Option becomes vested and exercisable, the optionee's right to exercise such portion of the Stock Option (or the optionee's representatives and legatees as applicable) in the event of a termination of the optionee's Service Relationship shall continue until the earliest of: (i) the date which is: (A) 12 months following the date on which the optionee's Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (B) three months following the date on which the optionee's Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (ii) the Expiration Date set forth in the Award Agreement; provided that notwithstanding the foregoing, an Award Agreement may provide that if the optionee's Service Relationship is terminated for Cause, the Stock Option shall terminate immediately and be null and void upon the date of the optionee's termination and shall not thereafter be exercisable.

SECTION 6. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible individual under Section 4 hereof a Restricted Stock Award under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or such other criteria as the Committee may determine. Upon the grant of a Restricted Stock Award, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee of Restricted Stock shall be considered the record owner of and shall be entitled to vote the Restricted Stock if, and to the extent, such Shares are entitled to voting rights, subject to such conditions contained in the Award Agreement. The grantee shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution. Unless the Committee shall otherwise determine, certificates evidencing the Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in subsection (d) below of this Section, and the grantee shall be required, as a condition of the grant, to deliver to the Company a stock power endorsed in blank and such other instruments of transfer as the Committee may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Award Agreement. Except as may otherwise be provided by the Committee either in the Award Agreement or, subject to Section 12 below, in writing after the Award Agreement is issued, if a grantee's Service Relationship with the Company and any Subsidiary terminates, the Company or its assigns shall have the right, as may be specified in the relevant instrument, to repurchase some or all of the Shares subject to the Award at such purchase price as is set forth in the Award Agreement.

(d) Vesting of Restricted Stock. The Committee at the time of grant shall specify in the Award Agreement the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the substantial risk of forfeiture imposed shall lapse and the Restricted Stock shall become vested, subject to such further rights of the Company or its assigns as may be specified in the Award Agreement.

SECTION 7. UNRESTRICTED STOCK AWARDS

The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible person under Section 4 hereof an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Committee may, in its sole discretion, grant to an eligible person under Section 4 hereof Restricted Stock Units under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Unit at the time of grant. Vesting conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or other such criteria as the Committee may determine. Upon the grant of Restricted Stock Units, the grantee and the Company shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee and may differ among individual Awards and grantees. On or promptly following the vesting date or dates applicable to any Restricted Stock Unit, but in no event later than March 15 of the year following the year in which such vesting occurs, such Restricted Stock Unit(s) shall be settled in the form of cash or shares of Stock, as specified in the Award Agreement. Restricted Stock Units may not be sold, assigned, transferred, pledged, or otherwise encumbered or disposed of.

(b) Rights as a Stockholder. A grantee shall have the rights of a stockholder only as to Shares, if any, acquired upon settlement of Restricted Stock Units. A grantee shall not be deemed to have acquired any such Shares unless and until the Restricted Stock Units shall have been settled in Shares pursuant to the terms of the Plan and the Award Agreement, the Company shall have issued and delivered a certificate representing the Shares to the grantee (or transferred on the records of the Company with respect to uncertificated stock), and the grantee's name has been entered in the books of the Company as a stockholder.

(c) Termination. Except as may otherwise be provided by the Committee either in the Award Agreement or in writing after the Award Agreement is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's cessation of Service Relationship with the Company and any Subsidiary for any reason.

SECTION 9. TRANSFER RESTRICTIONS; COMPANY RIGHT OF FIRST REFUSAL; COMPANY REPURCHASE RIGHTS

(a) Restrictions on Transfer.

(i) Non-Transferability of Stock Options. Stock Options and, prior to exercise, the Shares issuable upon exercise of such Stock Option, shall not be transferable by the optionee (including by way of any arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock or Stock Options therefor) otherwise than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee, or by the optionee's legal representative or guardian in the event of the optionee's incapacity. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide in the Award Agreement regarding a given Stock Option that the optionee may transfer by gift, without consideration for the transfer, his or her Non-Qualified Stock Options to his or her family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award Agreement, including the execution of a stock power upon the issuance of Shares. Stock Options, and the Shares issuable upon exercise of such Stock Options, shall be restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" (as defined in the Exchange Act) or any "call equivalent position" (as defined in the Exchange Act) prior to exercise.

(ii) Shares. No Shares shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless (i) the transfer is in compliance with the terms of the applicable Award Agreement, all applicable securities laws (including, without limitation, the Securities Act), and with the terms and conditions of this Section 9, (ii) the transfer does not cause the Company to become subject to the reporting requirements of the Exchange Act, and (iii) the transferee consents in writing to be bound by the provisions of the Plan and the Award Agreement, including this Section 9. In connection with any proposed transfer, the Committee may require the transferor to provide at the transferor's own expense an opinion of counsel to the transferor, satisfactory to the Committee, that such transfer is in compliance with all foreign, federal and state securities laws (including, without limitation, the Securities Act). Any attempted transfer of Shares not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Company shall not reflect on its records any change in record ownership of any Shares as a result of any such transfer, shall otherwise refuse to recognize any such transfer and shall not in any way give effect to any such transfer of Shares. The Company shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity including, without limitation, seeking specific performance or the rescission of any transfer not made in strict compliance with the provisions of this Section 9. Subject to the foregoing general provisions, and unless otherwise provided in the applicable Award Agreement, Shares may be transferred pursuant to the following specific terms and conditions (provided that with respect to any transfer of Restricted Stock, all vesting and forfeiture provisions shall continue to apply with respect to the original recipient):

(A) Transfers to Permitted Transferees. The Holder may transfer any or all of the Shares to one or more Permitted Transferees; *provided, however*, that following such transfer, such Shares shall continue to be subject to the terms of this Plan (including this Section 9) and such Permitted Transferee(s) shall, as a condition to any such transfer, deliver a written acknowledgment to that effect to the Company and shall deliver a stock power to the Company with respect to the Shares. Notwithstanding the foregoing, the Holder may not transfer any of the Shares to a Person whom the Company reasonably determines is a direct competitor or a potential competitor of the Company or any of its Subsidiaries.

(B) Transfers Upon Death. Upon the death of the Holder, any Shares then held by the Holder at the time of such death and any Shares acquired after the Holder's death by the Holder's legal representative shall be subject to the provisions of this Plan, and the Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees shall be obligated to convey such Shares to the Company or its assigns under the terms contemplated by the Plan and the Award Agreement.

(b) Right of First Refusal. In the event that a Holder desires at any time to sell or otherwise transfer all or any part of his or her Shares (other than shares of Restricted Stock which by their terms are not transferrable), the Holder first shall give written notice to the Company of the Holder's intention to make such transfer. Such notice shall state the number of Shares that the Holder proposes to sell (the "Offered Shares"), the price and the terms at which the proposed sale

is to be made and the name and address of the proposed transferee. At any time within 30 days after the receipt of such notice by the Company, the Company or its assigns may elect to purchase all or any portion of the Offered Shares at the price and on the terms offered by the proposed transferee and specified in the notice. The Company or its assigns shall exercise this right by mailing or delivering written notice to the Holder within the foregoing 30-day period. If the Company or its assigns elect to exercise its purchase rights under this Section 9(b), the closing for such purchase shall, in any event, take place within 45 days after the receipt by the Company of the initial notice from the Holder. In the event that the Company or its assigns do not elect to exercise such purchase right, or in the event that the Company or its assigns do not pay the full purchase price within such 45-day period, the Holder shall be required to pay a transaction processing fee of \$10,000 to the Company (unless waived by the Committee) and then may, within 60 days thereafter, sell the Offered Shares to the proposed transferee and at the same price and on the same terms as specified in the Holder's notice. Any Shares not sold to the proposed transferee shall remain subject to the Plan. If the Holder is a party to any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Shares, (i) the transferring Holder shall comply with the requirements of such stockholders agreements or other agreements relating to any proposed transfer of the Offered Shares, and (ii) any proposed transferee that purchases Offered Shares shall enter into such stockholders agreements or other agreements with the Company and/or certain of the Company's stockholders relating to the Offered Shares on the same terms and in the same capacity as the transferring Holder.

(c) Company's Right of Repurchase.

(i) Right of Repurchase for Unvested Shares Issued Upon the Exercise of an Option. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares acquired upon exercise of a Stock Option which are still subject to a risk of forfeiture as of the Termination Event. Such repurchase rights may be exercised by the Company within the later of (A) six months following the date of such Termination Event or (B) seven months after the acquisition of Shares upon exercise of a Stock Option. The repurchase price shall be equal to the lower of the original per share price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(ii) Right of Repurchase With Respect to Restricted Stock. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares received pursuant to a Restricted Stock Award any Shares that are still subject to a risk of forfeiture as of the Termination Event. Such repurchase right may be exercised by the Company within six months following the date of such Termination Event. The repurchase price shall be the lower of the original per share purchase price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(iii) Procedure. Any repurchase right of the Company shall be exercised by the Company or its assigns by giving the Holder written notice on or before the last day of the repurchase period of its intention to exercise such repurchase right. Upon such notification, the Holder shall promptly surrender to the Company, free and clear of any liens or encumbrances, any

certificates representing the Shares being purchased, together with a duly executed stock power for the transfer of such Shares to the Company or the Company's assignee or assignees. Upon the Company's or its assignee's receipt of the certificates from the Holder, the Company or its assignee or assignees shall deliver to him, her or them a check for the applicable repurchase price; *provided, however*, that the Company may pay the repurchase price by offsetting and canceling any indebtedness then owed by the Holder to the Company.

(d) Drag-Along Right. In the event the Holders of a majority of the Company's Common Stock then outstanding (the "Majority Shareholders") determine to enter into a Sale Event in a bona fide negotiated transaction (a "Sale"), with any non-Affiliate of the Company or any Majority Shareholder (in each case, the "Buyer"), a Holder of Shares, including any Permitted Transferee, shall be obligated to and shall upon the written request of the Majority Shareholders: (a) sell, transfer and deliver, or cause to be sold, transferred and delivered, to the Buyer, his or her Shares (including for this purpose all of such Holder's Shares that presently or as a result of any such transaction may be acquired upon the exercise of an Option (following the payment of the exercise price therefor)) on substantially the same terms applicable to the Majority Shareholders (with appropriate adjustments to reflect the conversion of convertible securities, the redemption of redeemable securities and the exercise of exercisable securities as well as the relative preferences and priorities of preferred stock); and (b) execute and deliver such instruments of conveyance and transfer and take such other action, including voting such Shares in favor of any Sale proposed by the Majority Shareholders and executing any purchase agreements, merger agreements, indemnity agreements, escrow agreements or related documents as the Majority Shareholders or the Buyer may reasonably require in order to carry out the terms and provisions of this Section 9(d). Each Holder shall constitute and appoint as the proxy of such Holder and grant a power of attorney to the Committee (or designee of the Committee), with full power of substitution, with respect to the matters set forth in this Section 9(d), and shall authorize the Committee (or designee of the Committee) to represent and to vote, if and only if the Holder (i) fails to vote or (ii) attempts to vote (whether by proxy, in person or by written consent), in a manner which is inconsistent with the voting of a plurality of the Majority Shareholders, all of such Holder's Shares in accordance with the terms and provisions of this Section 9(d) or to take any action necessary to effect this Section 9(d). Each of the proxy and power of attorney granted pursuant to the immediately preceding sentence is given in consideration of the agreements and covenants of the Company and the Holder in connection with the grant of an Award to such Holder and, as such, each is coupled with an interest and shall be irrevocable unless and until the Award Agreement terminates or expires.

(e) Escrow Arrangement.

(i) Escrow. In order to carry out the provisions of this Section 9 of this Plan more effectively, the Company shall hold any Shares issued pursuant to Awards granted under the Plan in escrow together with separate stock powers executed by the Holder in blank for transfer. The Company shall not dispose of the Shares except as otherwise provided in this Plan. In the event of any repurchase by the Company (or any of its assigns), the Company is hereby authorized by the Holder, as the Holder's attorney-in-fact, to date and complete the stock powers necessary for the transfer of the Shares being purchased and to transfer such Shares in accordance with the terms hereof. At such time as any Shares are no longer subject to the Company's repurchase and first refusal rights, the Company shall, at the written request of the Holder, deliver to the Holder a certificate representing such Shares with the balance of the Shares to be held in escrow pursuant to this Section.

(ii) Remedy. Without limitation of any other provision of this Plan or other rights, in the event that a Holder or any other Person is required to sell a Holder's Shares pursuant to the provisions of Sections 9(b) or (c) hereof and in the further event that he or she refuses or for any reason fails to deliver to the Company or its designated purchaser of such Shares the certificate or certificates evidencing such Shares together with a related stock power, the Company or such designated purchaser may deposit the applicable purchase price for such Shares with a bank designated by the Company, or with the Company's independent public accounting firm, as agent or trustee, or in escrow, for such Holder or other Person, to be held by such bank or accounting firm for the benefit of and for delivery to him, her, them or it, and/or, in its discretion, pay such purchase price by offsetting any indebtedness then owed by such Holder as provided above. Upon any such deposit and/or offset by the Company or its designated purchaser of such amount and upon notice to the Person who was required to sell the Shares to be sold pursuant to the provisions of Sections 9(b) or (c), such Shares shall at such time be deemed to have been sold, assigned, transferred and conveyed to such purchaser, such Holder shall have no further rights thereto (other than the right to withdraw the payment thereof held in escrow, if applicable), and the Company shall record such transfer in its stock transfer book or in any appropriate manner.

(f) Lockup Provision. If requested by the Company, a Holder shall not sell or otherwise transfer or dispose of any Shares (including, without limitation, pursuant to Rule 144 under the Securities Act) held by him or her for such period following the effective date of a public offering by the Company of Shares as the Company shall specify reasonably and in good faith. If requested by the underwriter engaged by the Company, each Holder shall execute a separate letter confirming his or her agreement to comply with this Section.

(g) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Section 9 shall apply with equal force to additional and/or substitute securities, if any, received by Holder in exchange for, or by virtue of his or her ownership of, Shares.

(h) Termination. The terms and provisions of Section 9(b), Section 9(c) (except for the Company's right to repurchase Shares still subject to a risk of forfeiture upon a Termination Event) and Section 9(d) shall terminate upon the closing of the Company's Initial Public Offering or upon consummation of any Sale Event, in either case as a result of which Shares are registered under Section 12 of the Exchange Act and publicly-traded on any national security exchange.

SECTION 10. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the grantee for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The

Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver stock certificates (or evidence of book entry) to any grantee is subject to and conditioned on any such tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Company's minimum required tax withholding obligation may be satisfied, in whole or in part, by the Company withholding from Shares to be issued pursuant to an Award a number of Shares having an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the minimum withholding amount due.

SECTION 11. SECTION 409A AWARDS.

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as may be specified by the Committee from time to time. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. The Company makes no representation or warranty and shall have no liability to any grantee under the Plan or any other Person with respect to any penalties or taxes under Section 409A that are, or may be, imposed with respect to any Award.

SECTION 12. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Committee may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the consent of the holder of the Award. The Committee may exercise its discretion to reduce the exercise price of outstanding Stock Options or effect repricing through cancellation of outstanding Stock Options and by granting such holders new Awards in replacement of the cancelled Stock Options. To the extent determined by the Committee to be required either by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code or otherwise, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 12 shall limit the Board's or Committee's authority to take any action permitted pursuant to Section 3(c). The Board reserves the right to amend the Plan and/or the terms of any outstanding Stock Options to the extent reasonably necessary to comply with the requirements of the exemption pursuant to paragraph (f)(4) of Rule 12h-1 of the Exchange Act.

SECTION 13. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly so determine in connection with any Award.

SECTION 14. GENERAL PROVISIONS

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to distribution thereof. No Shares shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange or similar requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Stock certificates to grantees under the Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company; provided that stock certificates to be held in escrow pursuant to Section 9 of the Plan shall be deemed delivered when the Company shall have recorded the issuance in its records. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records).

(c) No Employment Rights. The adoption of the Plan and the grant of Awards do not confer upon any Person any right to continued employment or Service Relationship with the Company or any Subsidiary.

(d) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(e) Legend. Any certificate(s) representing the Shares shall carry substantially the following legend (and with respect to uncertificated Stock, the book entries evidencing such shares shall contain the following notation):

The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including repurchase and restrictions against transfers) contained in the Rocket Lab USA, Inc. Second Amended and Restated 2013 Stock Option and Grant Plan and any agreements entered into thereunder by and between the company and the holder of this certificate (a copy of which is available at the offices of the company for examination).

(f) Information to Holders of Options. In the event the Company is relying on the exemption from the registration requirements of Section 12(g) of the Exchange Act contained in paragraph (f)(1) of Rule 12h-1 of the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act to all holders of Options in accordance with the requirements thereunder. The foregoing notwithstanding, the Company shall not be required to provide such information unless the optionholder has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

SECTION 15. EFFECTIVE DATE OF PLAN

The Plan shall become effective upon adoption by the Board and shall be approved by stockholders in accordance with applicable state law and the Company's articles of incorporation and bylaws within 12 months thereafter. If the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any Awards granted or sold under the Plan shall be rescinded and no additional grants or sales shall thereafter be made under the Plan. Subject to such approval by stockholders and to the requirement that no Shares may be issued hereunder prior to such approval, Stock Options and other Awards may be granted hereunder on and after adoption of the Plan by the Board. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the date the Plan is adopted by the Board or the date the Plan is approved by the Company's stockholders, whichever is earlier.

SECTION 16. GOVERNING LAW

This Plan, all Awards and any controversy arising out of or relating to this Plan and all Awards shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

DATE ADOPTED BY THE BOARD OF DIRECTORS: June 6, 2019

DATE APPROVED BY THE STOCKHOLDERS: June 21, 2019

ROCKET LAB USA, INC.

CODE OF BUSINESS CONDUCT & ETHICS

I. INTRODUCTION**Purpose and Scope**

The Board of Directors (the “**Board**”) of Rocket Lab USA, Inc. (the “**Company**” or “**Rocket Lab USA**”) adopted this Code of Business Conduct and Ethics (this “**Code**”) to aid the Company’s directors, officers and employees in making ethical and legal decisions when conducting the Company’s business and performing their day-to-day duties. This Code applies to all directors, officers and employees of the Company and its subsidiaries, and for purposes of this Code, the term “Company” refers collectively to the Company and its subsidiaries.

The Board has delegated to the Nominating and Corporate Governance Committee of the Board (the “**NCG Committee**”) responsibility for administering the Code. The Board has delegated day-to-day responsibility for administering and interpreting the Code to an officer, employee or consultant that it may designate from time to time (the “**Compliance Officer**”). Our General Counsel has been appointed as the Company’s initial Compliance Officer under this Code.

The Company expects its directors, officers and employees to exercise reasonable judgment when conducting the Company’s business. The Company encourages its directors, officers and employees to refer to this Code frequently to ensure that they are acting within both the letter and the spirit of this Code. If you have questions or concerns about this Code, the Company encourages you to speak with your supervisor (if applicable) or with the Compliance Officer under this Code.

Contents of this Code

This Code has two sections that follow this Introduction. The first section, “Standards of Conduct,” contains the actual guidelines that our directors, officers and employees are expected to adhere to in the conduct of the Company’s business. The second section, “Compliance Procedures,” contains specific information about how this Code functions, including who administers this Code, who can provide guidance under this Code and how violations may be reported, investigated and disciplined. This second section also contains a discussion about waivers of and amendments to this Code.

A Note Regarding Other Obligations

The Company’s directors, officers and employees generally have other legal and contractual obligations to the Company. This Code is not intended to reduce or limit the other obligations that you may have to the Company. Instead, the standards in this Code should be viewed as the *minimum standards* that the Company expects from its directors, officers and employees in the conduct of its business.

II. STANDARDS OF CONDUCT

Overview

The Company understands that this Code will not contain the answer to every situation you may encounter or every concern you may have about conducting the Company's business ethically and legally; however, a good rule to follow is to consider whether you would feel comfortable if your potential actions or dealings were made public – if the answer is no, you should reconsider following through on them and consult with your supervisor or the Compliance Officer if you have any questions.

Conflicts of Interest

The Company recognizes and respects the right of its directors, officers and employees to engage in outside activities that they may deem proper and desirable, provided that these activities do not impair or interfere with the performance of their duties to the Company or their ability to act in the Company's best interests. In most, if not all, cases this will mean that our directors, officers and employees must avoid situations that present a potential or actual conflict between their personal interests and the Company's interests.

A "conflict of interest" occurs when a director's, officer's or employee's personal interest interferes with the Company's interests. Conflicts of interest may arise in many situations. For example, conflicts of interest can arise when a director, officer or employee takes an action or has an outside interest, responsibility or obligation that may make it difficult for him or her to perform the responsibilities of his or her position objectively and/or effectively in the Company's best interests. Conflicts of interest may also occur when a director, officer or employee or his or her immediate family member receives some personal benefit (whether improper or not) as a result of the director's, officer's or employee's position with the Company. Each individual's situation is different and in evaluating his or her own situation, a director, officer or employee will have to consider many factors.

Any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest should be reported promptly to the Compliance Officer. The Compliance Officer may notify the Board or its NCG Committee as he or she deems appropriate. Actual or potential conflicts of interest involving a director or executive officer other than the Compliance Officer should be disclosed directly to the Compliance Officer. Actual or potential conflicts of interest involving the Compliance Officer should be disclosed directly to the Chief Financial Officer.

Compliance with Laws, Rules and Regulations

The Company seeks to conduct its business in compliance with applicable laws, rules and regulations. No director, officer or employee shall engage in any unlawful activity in conducting the Company's business or in performing his or her day-to-day Company duties, nor should he or she instruct others to do so.

Protection and Proper Use of the Company's Assets

The Company's assets include its intellectual property rights, information systems, computers, servers, other equipment, and communication facilities. Loss, theft and misuse of the Company's assets have a direct impact on the Company's business and its profitability. Directors, officers and employees are expected to protect the Company's assets that are entrusted to them and to protect the Company's assets in general. Directors, officers and employees are also expected to take steps to ensure that the Company's assets are used only for legitimate business purposes, except for personal use that is expressly permitted by Company policy.

One of the Company's most important assets is its confidential information. Directors, officers and employees may learn of information about the Company, its clients, and other parties that is confidential and/or proprietary. Individuals who have received or have access to such information are expected to take special care to keep it confidential.

Corporate Opportunities

Directors, officers and employees owe a duty to the Company to advance its legitimate business interests when the opportunity to do so arises. Each director, officer and employee is prohibited from:

- diverting to himself or herself or to others any opportunities that are discovered through the use of the Company's property or information, or as a result of his or her position with the Company, unless such opportunity has first been presented to, and rejected by, the Company and except to the extent the Company has waived the right to such opportunities in writing; or
- using the Company's property or information or his or her position for improper personal gain.

Confidentiality

Confidential Information generated and gathered in the Company's business plays a vital role in its business, prospects and ability to compete. "Confidential Information" includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed. Directors, officers and employees may not disclose or distribute the Company's Confidential Information, except when disclosure is authorized by the Company or required by applicable law, rule or regulation or pursuant to an applicable legal proceeding. Directors, officers and employees shall use Confidential Information solely for legitimate company purposes. Directors, officers and employees must return all of the Company's Confidential Information and proprietary information in their respective possession to the Company when they cease to be employed by or to otherwise serve the Company.

Fair Dealing

Competing vigorously, yet lawfully, with competitors and establishing advantageous, but fair, business relationships with customers and suppliers is a part of the foundation for long-term success. However, unlawful and unethical conduct, which may lead to short-term gains, may damage a company's reputation and long-term business prospects. Accordingly, it is the Company's policy that directors, officers and employees must deal ethically and lawfully with the Company's customers, suppliers, competitors and employees in all business dealings on the Company's behalf. No director, officer or employee should take unfair advantage of another person in business dealings on the Company's behalf through the abuse of privileged or confidential information or through improper manipulation, concealment or misrepresentation of material facts.

Accuracy of Records

The integrity, reliability and accuracy in all material respects of the Company's books, records and financial statements are fundamental to the Company's continued and future business success. No director, officer or employee may cause the Company to enter into a transaction with the intent to document or record it in a deceptive or unlawful manner. In addition, no director, officer or employee may create any false or artificial documentation or book entry for any transaction entered into by the Company. Similarly, officers and employees who have responsibility for accounting and financial reporting matters have a responsibility to accurately record all funds, assets and transactions on the Company's books and records.

Trading in the Securities of Other Companies

No director, officer or employee of the Company who, in the course of working for the Company, learns of any material, nonpublic information about a company with which the Company does business (e.g., a customer, supplier or other party with which the Company is negotiating a major transaction, such as an acquisition, investment or sale), may trade in that company's securities until the information becomes public or is no longer material.

Political Contributions

Business contributions to political campaigns are strictly regulated by federal, state, provincial and local law in the U.S., Canada and other jurisdictions. Accordingly, all political contributions proposed to be made with the Company's funds must be coordinated through and approved by the Compliance Officer. Directors, officers and employees may not, without the approval of the Compliance Officer, use any of the Company's funds for political contributions of any kind to any political candidate or holder of any national, state, provincial or local government office. Directors, officers and employees may make personal contributions, but should not represent that he or she is making any such contribution on the Company's behalf. Similar restrictions on political contributions may apply in other countries. Specific questions should be directed to the Compliance Officer.

Gifts and Entertainment

The giving and receiving of gifts can be a common and valid business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. Gifts and entertainment, however, should never compromise, or appear to compromise, any person's ability to make objective and fair business decisions, or the ability of others to make their own objective and fair business decisions. In addition, it is important to note that the giving and receiving of gifts are subject to a variety of laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering the marketing of products, bribery, and kickbacks. Each individual covered by this Code is expected to understand and to comply with all laws, rules and regulations that apply to his or her job position, as well as the Company's other specific policies applicable to the giving and receiving of gifts.

Quality of Public Disclosures

The Company is committed to providing its stockholders with information about its financial condition and results of operations as required by the securities laws of the United States. It is the Company's policy that the reports and documents it files with or submits to the Securities and Exchange Commission include fair, timely and understandable disclosure. Officers and employees who are responsible for these filings and disclosures, including the Company's principal executive, financial and accounting officers, must use reasonable judgment and perform their responsibilities honestly, ethically and objectively in order to ensure that this disclosure policy is fulfilled.

International Trade Controls

Many countries regulate international trade transactions, such as imports, exports and international financial transactions, and may prohibit cooperation with boycotts against certain countries or against firms that may be "blacklisted" by certain groups or countries. It is the Company's policy to comply with these laws and regulations even if it may result in the loss of some business opportunities. Employees should learn and understand the extent to which U.S. and international trade controls apply to transactions conducted by the Company.

Promoting a Positive Work Environment

The Company is committed to creating a supportive work environment and each employee is expected to create a respectful workplace culture that is free of harassment, intimidation, bias and unlawful discrimination. The Company is an equal opportunity employer and employment is based solely on individual merit and qualifications directly related to professional competence. The Company strictly prohibits discrimination or harassment of any kind on the basis of race, color, religion, veteran status, national origin, ancestry, pregnancy status, sex, gender identity or expression, age, marital status, mental or physical disability, medical condition, sexual orientation or any other characteristics protected by law.

Compliance with Anti-Corruption Laws

The U.S. Foreign Corrupt Practices Act (the "FCPA") prohibits giving anything of value, directly or indirectly, to officials of a foreign government or to foreign political candidates in order to obtain or to retain business, induce the foreign official to perform or omit any act in violation of his public duty, influence the foreign official to affect or influence any government action, or obtain any other business advantage.

Directors, officers and employees are strictly prohibited from offering, promising, paying or authorizing the payment, directly or indirectly, to a government official to influence or reward any act of such official, or otherwise making any payments or providing anything of value in violation of the FCPA. State and local governments, as well as foreign governments, may have additional rules regarding such payments. Directors, officers and employees shall comply with the FCPA and all other applicable anti-bribery, anti-kickback, and anti-corruption laws, rules, and regulations.

III. COMPLIANCE PROCEDURES

Communication of Code

All directors, officers and employees will be supplied with a copy of this Code upon the later of the adoption of this Code and beginning service at the Company. Updates of this Code will be provided from time to time. A copy of this Code is also available to all directors, officers and employees by requesting one from the human resources department or by accessing the Company's website at www.rocketlabusa.com.

Monitoring Compliance and Disciplinary Action

The Company's management, under the supervision of its Board or its NCG Committee, shall take reasonable steps from time to time to (i) monitor compliance with this Code, and (ii) when appropriate, impose and enforce appropriate disciplinary measures for violations of this Code.

Disciplinary measures for violations of this Code may include, but are not limited to, counseling, oral or written reprimands, warnings, probation or suspension with or without pay, demotions, reductions in salary, re-assignment, termination of employment or service and restitution.

The Company's management shall periodically report to the Board or the NCG Committee, as applicable, on these compliance efforts including, without limitation, periodic reporting of alleged violations of this Code and the actions taken with respect to any such violation.

Reporting Concerns/Receiving Advice

Communication Channels

Be Proactive. Every employee is encouraged to act proactively by asking questions, seeking guidance and reporting suspected violations of this Code and other policies and procedures of the Company, as well as any violation or suspected violation of applicable law, rule or regulation arising in the conduct of the Company's business or occurring on the Company's property. **If any employee believes that actions have taken place, may be taking**

place, or may be about to take place that violate or would violate this Code or any law, rule or regulation applicable to the Company, he or she is obligated to bring the matter to the attention of the Company.

Seeking Guidance. The best starting point for an officer or employee seeking advice on ethics-related issues or reporting potential violations of this Code will usually be his or her supervisor. However, if the conduct in question involves his or her supervisor, if the employee has reported the conduct in question to his or her supervisor and does not believe that he or she has dealt with it properly, or if the officer or employee does not feel that he or she can discuss the matter with his or her supervisor, the employee may raise the matter with the Compliance Officer.

Communication Alternatives. Any officer or employee may communicate with the Compliance Officer, or report potential violations of this Code, by any of the following methods:

- In writing (which may be done anonymously as set forth below under “Anonymity”), addressed to the Compliance Officer of the Company, by U.S. mail to c/o Rocket Lab USA, Inc., 3881 McGowen Street, Long Beach, CA 90808.

Reporting Accounting and Similar Concerns. Any concerns or questions regarding any potential violations of this Code, any company policy or procedure or applicable law, rules or regulations that involves accounting, internal accounting controls, auditing or securities law matters will be handled in accordance with the procedures established by the Audit Committee for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

Cooperation. Employees are expected to cooperate with the Company in any investigation of a potential violation of this Code, any other company policy or procedure, or any applicable law, rule or regulation.

Misuse of Reporting Channels. Employees must not use these reporting channels in bad faith or in a false or frivolous manner or to report grievances that do not involve this Code or other ethics-related issues.

Anonymity

When reporting suspected violations of this Code, the Company prefers that officers and employees identify themselves to facilitate the Company’s ability to take appropriate steps to address the report, including conducting any appropriate investigation. However, the Company also recognizes that some people may feel more comfortable reporting a suspected violation anonymously.

If an officer or employee wishes to remain anonymous, he or she may do so, and the Company will use reasonable efforts to protect the confidentiality of the reporting person subject to applicable law, rule or regulation or to any applicable legal proceedings. In the event the report is made anonymously, however, the Company may not have sufficient information to look into or otherwise investigate or evaluate the allegations. Accordingly, persons who make reports anonymously should provide as much detail as possible to permit the Company to evaluate the matter(s) set forth in the anonymous report and, if appropriate, commence and conduct an appropriate investigation.

No Retaliation

The Company expressly forbids any retaliation against any officer or employee who, acting in good faith on the basis of a reasonable belief, reports suspected misconduct. Specifically, the Company will not discharge, demote, suspend, threaten, harass or in any other manner discriminate against, such an officer or employee in the terms and conditions of his or her employment. Any person who participates in any such retaliation is subject to disciplinary action, including termination.

Waivers and Amendments

No waiver of any provisions of this Code for the benefit of a director or an executive officer (which includes without limitation, for purposes of this Code, the Company's principal executive, financial and accounting officers) shall be effective unless (i) approved by the Board or, if permitted, the NCG Committee, and (ii) if applicable, such waiver is promptly disclosed to the Company's stockholders in accordance with applicable U.S. securities laws and/or the rules and regulations of the exchange or system on which the Company's shares are traded or quoted, as the case may be.

Any waivers of this Code for other employees may be made by the Compliance Officer, the Board or, if permitted, the NCG Committee.

All amendments to this Code must be approved by the Board and, if applicable, must be promptly disclosed to the Company's stockholders in accordance with applicable United States securities laws and Nasdaq rules and regulations.

ADOPTED: August 25, 2021

ACKNOWLEDGMENT

I acknowledge that I have reviewed and understand Rocket Lab USA, Inc.'s Code of Business Conduct and Ethics (the “**Code**”) and agree to abide by the provisions of the Code. I understand my obligation to comply with the Code and with the law, and my obligation to report to appropriate personnel within the Company any and all suspected violations of the Code or of applicable laws, rules, or regulations. I understand that the Company expressly prohibits any director, officer, or employee from retaliating against any other such person for reporting suspected violations of the Code or of any laws, rules or regulations. I am familiar with all the resources that are available if I have questions about specific conduct, the Company's policies, or applicable laws, rules, or regulations.

Signature

Name (Printed or typed)

Position

Date

August 30, 2021

Office of the Chief Accountant
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Ladies and Gentlemen:

We have read Rocket Lab USA, Inc. (formerly known as Vector Acquisition Corporation) statements included under Item 4.01 of its Form 8-K dated August 25, 2021. We agree with the statements concerning our Firm under Item 4.01, in which we were informed of our dismissal on August 30, 2021. We are not in a position to agree or disagree with other statements contained therein.

Very truly yours,

/s/ WithumSmith+Brown, PC

New York, New York

List of Subsidiaries of Rocket Lab USA, Inc.

<u>Subsidiary</u>	<u>Jurisdiction of Organization</u>
Rocket Lab Ltd.	New Zealand
Rocket Lab Global Services, LLC	Delaware
Rocket Lab Space Systems Inc.	British Columbia, Canada

ROCKET LAB USA, INC. AND SUBSIDIARIES
FINANCIAL INFORMATION
TABLE OF CONTENTS

Condensed Consolidated Financial Statements (Unaudited):

Condensed Consolidated Balance Sheets as of June 30, 2021 and December 31, 2020	F-2
Condensed Consolidated Statements of Operations and Comprehensive Loss for the Six Months Ended June 30, 2021 and 2020	F-3
Condensed Consolidated Statements of Changes in Redeemable Convertible Preferred Stock and Stockholders' Deficit for the Six Months Ended June 30, 2021 and 2020	F-4
Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2021 and 2020	F-5
Notes to Condensed Consolidated Financial Statements	F-6

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2021 AND DECEMBER 31, 2020
(unaudited; in thousands, except per share data)

	As of	
	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 107,931	\$ 52,792
Accounts receivable, net	22,355	2,730
Contract assets	843	2,045
Inventories	31,516	26,135
Prepays and other current assets	4,925	9,412
Total current assets	167,570	93,114
Non-current assets:		
Property, plant and equipment, net	51,220	49,832
Intangible assets, net	10,689	11,349
Goodwill	3,277	3,133
Right-of-use assets - operating leases	25,712	26,902
Restricted cash	1,110	1,141
Deferred tax assets, net	2,935	2,398
Deferred transaction costs	3,395	—
Total assets	\$ 265,908	\$ 187,869
Liabilities, Redeemable Convertible Preferred Stock and Shareholders' Deficit		
Current liabilities:		
Trade payables	\$ 3,620	\$ 3,368
Accrued expenses	5,026	6,571
Employee benefits payable	5,238	4,582
Contract liabilities	31,138	26,132
Other current liabilities	6,832	7,766
Total current liabilities	51,854	48,419
Non-current liabilities:		
Long-term borrowings, excluding current installments	98,827	—
Non-current lease liabilities	25,916	27,299
Other non-current liabilities	9,381	3,899
Total liabilities	185,978	79,617
COMMITMENTS AND CONTINGENCIES (Note 15)		
Redeemable convertible preferred stock		
Series A Preferred stock, \$0.0001 par value; authorized, issued and outstanding shares: 6,898,281 at June 30, 2021 and December 31, 2020, respectively	5,500	5,500
Series B Preferred stock, \$0.0001 par value; authorized shares: 11,987,187; issued and outstanding shares: 11,953,413 at June 30, 2021 and December 31, 2020, respectively	21,503	21,503
Series C Preferred stock, \$0.0001 par value; authorized shares: 4,900,204; issued and outstanding shares: 4,887,114 at June 30, 2021 and December 31, 2020, respectively	16,471	16,471
Series D Preferred stock, \$0.0001 par value; authorized shares: 2,650,450; issued and outstanding shares: 2,573,252 at June 30, 2021 and December 31, 2020, respectively	73,364	73,364
Series E Preferred stock, \$0.0001 par value; authorized, issued and outstanding shares: 4,368,313 at June 30, 2021 and December 31, 2020, respectively	137,622	137,622
Series E-1 Preferred stock, \$0.0001 par value; authorized, issued and outstanding shares: 650,140 at June 30, 2021 and December 31, 2020, respectively	20,500	20,500
Shareholders' deficit:		
Common stock, \$0.0001 par value; authorized shares: 46,000,000; issued and outstanding shares: 8,740,022 and 8,654,869 at June 30, 2021 and December 31, 2020, respectively	—	—
Additional paid-in capital	23,079	19,928
Accumulated deficit	(220,238)	(187,691)
Accumulated other comprehensive loss	2,129	1,055
Total shareholders' deficit	(195,030)	(166,708)
Total liabilities, redeemable convertible preferred stock and shareholders' deficit	\$ 265,908	\$ 187,869

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(unaudited; in thousands, except per share data)

	<u>Six-Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Revenues	\$ 29,472	\$ 8,753
Cost of revenues	25,598	14,632
Gross profit (loss)	3,874	(5,879)
Operating expenses:		
Research and development, net	15,607	6,106
Selling, general and administrative	13,692	11,320
Total operating expenses	29,299	17,426
Operating loss	(25,425)	(23,305)
Other income (expense):		
Interest income (expense), net	(402)	243
Loss on foreign exchange	(405)	(435)
Other income (expense), net	(5,611)	793
Total other income (expense), net	(6,418)	601
Loss before income taxes	(31,843)	(22,704)
Provision for income taxes	(704)	(749)
Net loss	\$ (32,547)	\$ (23,453)
Other comprehensive income (loss), net of tax:		
Foreign currency translation income loss	1,074	(367)
Comprehensive loss	\$ (31,473)	\$ (23,820)
Net loss per share attributable to Rocket Lab USA., Inc.:		
Basic and diluted	\$ (3.74)	\$ (2.87)
Weighted-average common shares outstanding:		
Basic and diluted	8,708	8,179

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE
PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(unaudited; in thousands, except share data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2020	31,330,513	\$274,960	8,654,869	\$ —	\$ 19,928	\$ (187,691)	\$ 1,055	\$(166,708)
Net loss	—	—	—	—	—	(32,547)	—	(32,547)
Exercise of stock options	—	—	85,153	—	772	—	—	772
Stock-based compensation	—	—	—	—	2,379	—	—	2,379
Other comprehensive income	—	—	—	—	—	—	1,074	1,074
Balance as of June 30, 2021	<u>31,330,513</u>	<u>\$274,960</u>	<u>8,740,022</u>	<u>\$ —</u>	<u>\$ 23,079</u>	<u>\$ (220,238)</u>	<u>\$ 2,129</u>	<u>\$(195,030)</u>
Balance as of December 31, 2019	30,680,373	\$254,460	8,076,275	\$ —	\$ 14,236	\$ (132,686)	\$ (79)	\$(118,529)
Net loss	—	—	—	—	—	(23,453)	—	(23,453)
Exercise of stock options	—	—	10,506	—	22	—	—	22
Stock-based compensation	—	—	—	—	1,923	—	—	1,923
Issuance of Series E-1 redeemable preferred stock for cash	650,140	20,500	—	—	—	—	—	—
Issuance of stock for acquisition	—	—	272,727	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	—	(367)	(367)
Balance as of June 30, 2020	<u>31,330,513</u>	<u>\$274,960</u>	<u>8,359,508</u>	<u>\$ —</u>	<u>\$ 16,181</u>	<u>\$ (156,139)</u>	<u>\$ (446)</u>	<u>\$(140,404)</u>

ROCKET LAB USA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited; in thousands)

	<u>Six-Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net loss	\$ (32,547)	\$ (23,453)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Depreciation and amortization	4,847	3,663
Amortization of deferred debt costs	149	—
Stock compensation expense	2,379	1,923
Loss on disposal of assets	55	3,451
Loss on extinguishment of long-term debt	496	—
Noncash lease expense	997	1,532
Noncash expense associated with preferred stock warrants	5,478	(137)
Deferred taxes	(612)	(459)
Changes in operating assets and liabilities:		
Accounts receivable	(19,580)	(5,794)
Contract assets	1,201	4,707
Inventories	(5,347)	(11,080)
Prepays and other current assets	2,796	(915)
Increase (decrease) in liabilities:		
Trade payables	(3,384)	598
Accrued expenses	2,849	152
Employee benefits payable	756	1,406
Contract liabilities	5,006	11,901
Other current liabilities	(930)	1,703
Non-current lease liabilities	(1,191)	(720)
Other non-current liabilities	—	(576)
Net cash used in operating activities	(36,582)	(12,098)
Cash flows from investing activities:		
Purchases of property, equipment and software	(5,699)	(15,618)
Cash paid for acquisition, net of acquired cash	—	(12,208)
Net cash used in investing activities	(5,699)	(27,826)
Cash flows from financing activities:		
Payment of deferred transaction costs associated with planned reverse recapitalization transaction	(2,298)	—
Proceeds from the exercise of stock options	772	22
Proceeds from long-term revolving line of credit	15,000	—
Proceeds from long-term secured term loan	98,895	—
Repayments on long-term revolving line of credit	(15,000)	—
Net Proceeds from issuance of Series E-1 Preferred Stock	—	20,500
Net cash provided by financing activities	97,369	20,522
Effect of exchange rates on cash and cash equivalents	20	(113)
Net increase (decrease) in cash and cash equivalents and restricted cash	55,108	(19,515)
Cash and cash equivalents, and restricted cash, beginning of period	53,933	97,694
Cash and cash equivalents, and restricted cash, end of period	<u>\$ 109,041</u>	<u>\$ 78,179</u>
Supplemental disclosures of non-cash investing and financing activities:		
Unpaid purchases of property, equipment and software	\$ 1,231	\$ 1,062
Deferred transaction costs in accrued expenses	1,096	—

ROCKET LAB USA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2021 AND DECEMBER 31, 2020 AND FOR THE
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(unaudited; in thousands, except share and per share data)

(1) DESCRIPTION OF THE BUSINESS

Rocket Lab USA, Inc. (“Rocket Lab” and, together with its consolidated subsidiaries, the “Company,” “we,” “us” or “our”) is an end-to-end space company with an established track record of mission success headquartered in Long Beach California and is the parent company for several wholly owned operating subsidiaries located in the United States, New Zealand and Canada. We deliver reliable launch services, satellites and other spacecraft, and on-orbit management solutions that make it faster, easier and more affordable to access space. We operate one of the only private orbital launch ranges in the world, located in Mahia, New Zealand, enabling a unique degree of operational flexibility and control of customer launch manifests and mission assurance. While our business has historically been centered on the development of small-class launch vehicles and related sale of launch services, we are currently innovating in the areas of medium-class launch vehicles and launch services, space systems design and manufacturing, on-orbit management solutions, and space data applications.

The Company believes its existing cash and cash equivalents, and \$777 million in gross funds raised in connection with the Business Combination and the PIPE Investment and payments from customers will be sufficient to meet its working capital and capital expenditure needs for at least the next twelve months. Accordingly, the Company has determined that previous conditions that raised substantial doubt about the Company’s ability to continue as a going concern have been resolved.

(2) SIGNIFICANT ACCOUNTING POLICIES

Principals of Consolidation and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements are presented in conformity with accounting standards generally accepted in the United States of America (“U.S. GAAP”) and the requirements of the U.S. Securities and Exchange Commission (“SEC”) for interim financial information and include the accounts of Rocket Lab USA, Inc. and its wholly owned subsidiaries after elimination of intercompany accounts and transactions. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP can be condensed or omitted. These condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of the Company’s financial information. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2021, or for any other interim period or for any other future year.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, our management evaluates estimates and assumptions including those related to revenue recognition, contract costs, loss reserves, fair value of common and preferred stock issued, and deferred tax valuation allowances. We based our estimates on historical data and experience, as well as various other factors that our management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results could differ from these estimates and assumptions.

Deferred Transaction Costs

Deferred transaction costs primarily consist of legal and other costs incurred that are directly related to the Company’s reverse recapitalization transaction. These costs will be charged to stockholders’ deficit in connection with the completion of the reverse recapitalization transaction. During the six months ended June 30, 2021 the Company incurred and capitalized transaction costs of approximately \$3,395 which are included in the accompanying condensed consolidated balance sheets.

Other Significant Accounting Policies

There have been no other significant changes to the Company's significant accounting policies during the six months ended June 30, 2021. Refer to Note 2 - *Significant Accounting Policies* disclosed in the "Notes to Consolidated Financial Statements as of and for the Years Ended December 31, 2019 and 2020" in the Company's S-4 filed with the Securities and Exchange Commission (the "SEC") on June 25, 2021.

Recently Adopted Accounting Pronouncements

The Pubco is an "emerging growth company." The Jumpstart Our Business Startups Act, or the JOBS Act, allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period for complying with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that the Company (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the Company's financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective date for new or revised accounting standards that are applicable to public companies.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU removed some disclosures; modified others and added some new disclosure requirements. For all entities, the new guidance is effective for fiscal years beginning after December 15, 2019. The Company adopted this ASU on January 1, 2020, and the adoption of this ASU resulted in additional fair value measurement disclosures in these notes to the consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* and subsequently issued amendments to the initial guidance through ASU 2019-08, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements—Share-Based Consideration Payable to a Customer*. Under the revised, amended guidance, the accounting for awards issued to non-employees will be similar to the accounting for employee awards. Additionally, for share-based consideration payable to a customer, the amount recorded as a reduction of the transaction price is required to be measured on the basis of the grant-date fair value of the share-based payment award in accordance with Topic 718. The Company adopted this guidance as of January 1, 2020, which did not have a material impact on the condensed consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and also issued subsequent amendments to the initial guidance: ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11 and ASU 2020-02. The updated guidance revises the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology, which will result in more timely recognition of losses on financial instruments, including, but not limited to, available for sale debt securities and accounts receivable. The Company adopted this guidance as of January 1, 2020, which did not have a material impact on the condensed consolidated financial statements.

(3) REVENUES

The Company disaggregates revenue by reportable segment and revenue recognition pattern, as it believes these categories best depict how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors. The following tables provide information about disaggregated revenue and a reconciliation of the disaggregated revenue during the six months ended June 30:

Revenues by recognition model	Six-Months Ended June 30,	
	2021	2020
Point-in-time.	\$ 26,815	\$ 7,534
Over-time	2,657	1,219
Total revenue by recognition model	<u>29,472</u>	<u>8,753</u>

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, unbilled receivables (presented within Contract assets) and customer advances and deposits (presented within Contract liabilities) on the condensed consolidated balance sheets, where applicable. Amounts are generally billed as work progresses in accordance with agreed-upon milestones. These individual contract assets and liabilities are reported in a net position on a contract-by-contract basis on the condensed consolidated balance sheets at the end of each reporting period.

The following table presents the balances related to enforceable contracts as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
Contract balances		
Accounts receivable	\$ 22,355	\$ 2,730
Contract assets	843	2,045
Contract liabilities	(31,138)	(26,132)

Changes in contract liabilities were as follows:

Contract liabilities, at December 31, 2020	\$ 26,132
Customer advances received	17,116
Recognition of unearned revenue	(12,110)
Contract liabilities, at June 30, 2021	<u>\$ 31,138</u>

The revenue recognized from the contract liabilities consisted of the Company satisfying performance obligations during the normal course of business.

The amount of revenue recognized from changes in the transaction price associated with performance obligations satisfied in prior years during six months ended June 30, 2021 and 2020 was not material.

Remaining unsatisfied performance obligations represent the total dollar value of work to be performed on contracts awarded and in progress. The amount of remaining unsatisfied performance obligations increases with new contracts or additions to existing contracts and decreases as revenue is recognized on existing contracts. Contracts are included in the amount of remaining unsatisfied performance obligations when an enforceable agreement has been reached. Remaining unsatisfied performance obligations totaled \$141,371 and \$82,039 as of June 30, 2021 and December 31, 2020, respectively. Of the \$141,371 June 30, 2021 balance, approximately 72% is expected to be recognized within 12 months, with the remaining 28% to be recognized beyond 12 months.

(4) BUSINESS COMBINATION

On April 28, 2020, the Company acquired 100% of the outstanding capital stock and voting interest of Sinclair Interplanetary (“Sinclair Interplanetary”), pursuant to a stock purchase agreement with Sinclair, dated March 6, 2020. The results of Sinclair’s operations have been included in the condensed consolidated financial statements since the acquisition close date. Sinclair Interplanetary is a leading provider of high-quality, flight-proven satellite hardware and is headquartered in Toronto, Canada. As a result of the acquisition, management expects to strengthen and expand the Company’s ability to become a one stop shop for customers who desire to design, build and launch a satellite.

Acquisition Consideration

The acquisition-date consideration transferred consisted of cash of \$12,340.

The following table presents estimates of the fair value of the assets acquired and the liabilities assumed by the Company in the acquisition:

Description	Amount
Cash and cash equivalents	\$ 132
Accounts receivable	1,024
Inventories	718
Prepays and other current assets	16
Property and equipment	380
Intangible assets, net	10,250
Right-of-use assets	94
Trade payables	(143)
Other current liabilities	(2,494)
Lease liabilities	(94)
Non-current deferred tax liabilities	(438)
Identifiable net assets acquired	9,445
Goodwill	2,895
Total purchase price	<u>\$12,340</u>

The following is a summary of identifiable intangible assets acquired and the related expected lives for the finite-lived intangible assets (in thousands):

Type	Estimated Life in Years	Fair Value
Developed technology	7	\$ 9,200
In-process technology	N/A	100
Customer relationships	3	600
Backlog	0.7	50
Trademark and tradenames	3	100
Non-compete agreement	4	200
Total identifiable intangible assets acquired		<u>\$ 10,250</u>

Goodwill of \$2,895 was recorded for the Sinclair Interplanetary acquisition, representing the excess of the purchase price over the fair value of the identifiable net assets. Goodwill recognized primarily represents the future revenue and earnings potential and certain other assets which were acquired, but that do not meet the recognition criteria, such as assembled workforce. None of the goodwill is expected to be deductible for income tax purposes.

Compensation Arrangements

In connection with the acquisition, the Company issued 272,727 shares of common stock to the seller upon closing of the acquisition. The shares are subject to a share restriction agreement which restricts the transferability of the shares and provides the Company with a right to repurchase the shares for \$0 upon termination of employment of the seller. The Company's repurchase right lapses in eight equal quarterly installments over the two-year period subsequent to the acquisition date as the seller continues to provide service as an employee, such that at the end of the two-year period following the acquisition date, the shares will be fully transferable, and the Company will no longer have a right to repurchase the shares. Therefore, the shares are accounted for as post-combination compensation expense for services as an employee over the two-year vesting period following the acquisition date.

Additionally, the Company agreed to issue to the seller of Sinclair Interplanetary an earnout of up to 211,416 additional shares of the Company common stock to be paid over a two-year period following the acquisition close date. Issuance of the earnout shares is contingent upon the acquired business meeting certain post-acquisition gross revenue and gross margin targets and the seller continuing to provide services to the Company as an employee during the earnout period. The earnout shares are divided into three tranches. The number of shares to be earned in the first tranche (between 0 and 105,708 shares) is based on revenue and gross margin of the acquired business during the first one-year period following acquisition. The number of shares to be earned in second tranche (between 0 and 105,708 shares) is based on revenue and gross margin of the acquired business during the second one-year period following acquisition. The arrangement also provides for a make-up share tranche, whereby the seller may earn additional shares not earned in the first one-year period following acquisition if the revenue and gross margin of the second one-year period following acquisition met certain specified thresholds. In no event will more than 211,416 shares be earned.

Due to the continuing employment requirement of the shares issued upon closing of the transaction and continuing employment requirement of the earnout shares, the costs associated with the shares are recognized as post-combination compensation expense recognized in research and development expenses in the condensed consolidated statements of operations and comprehensive loss.

The following table provides stock-based compensation expense recognized in conjunction with the Sinclair Interplanetary acquisition:

<u>Acquisition stock-based compensation</u>	<u>Six-Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Shares issued in conjunction with the acquisition	\$ 701	\$ 234
Earnout share achievement	181	—
Total stock compensation related to the acquisition	<u>882</u>	<u>234</u>

(5) FAIR VALUE OF FINANCIAL INSTRUMENTS

As of June 30, 2021 and December 31, 2020 the following financial assets and liabilities are measured at fair value on a recurring basis and are categorized using the fair value hierarchy as follows:

	<u>June 30, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash equivalents:				
Money market accounts	\$24,888	\$ —	\$ —	\$24,888
Total	<u>\$24,888</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$24,888</u>
Liabilities:				
Other non-current liabilities:				
Warrants-preferred stock (Note 11)	\$ —	\$ —	\$9,377	\$ 9,377
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$9,377</u>	<u>\$ 9,377</u>
	<u>December 31, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash equivalents:				
Money market accounts	\$49,869	\$ —	\$ —	\$49,869
Total	<u>\$49,869</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$49,869</u>
Liabilities:				
Other non-current liabilities:				
Warrants-preferred stock (Note 11)	\$ —	\$ —	\$3,899	\$ 3,899
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$3,899</u>	<u>\$ 3,899</u>

The estimated fair value amounts shown above are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or ability to dispose of the financial instrument.

There were no transfers between fair value measurement levels during the six months ended June 30, 2021. The change in the warrant liabilities measured at fair value using level three unobservable inputs is as follows for the quarter ended June 30, 2021:

Balance, at December 31, 2020	\$3,899
Cost of warrants vesting during the period	352
Change in fair value included in earnings	5,126
Balance, at June 30, 2021	<u>\$9,377</u>

As of June 30, 2021 and December 31, 2020, the fair value of the warrants was estimated primarily using a combination of the guideline public company method, an income approach based on discounted estimated future cash flows, the probability-weighted expected return method and the option pricing method. Under these approaches, the value of the warrants was estimated for various future scenarios and then probability-weighted based on the likelihood of each future scenario. The estimates used in the valuation of the warrants are highly subjective in nature and involve a large degree of uncertainty. The valuation of the warrants is considered to be at Level 3 of the fair value hierarchy due to the need to use assumptions in the valuation that are both significant to the fair value measurement and unobservable.

(6) INVENTORIES

Inventories as of June 30, 2021 and December 31, 2020 consisted of the following:

	June 30, 2021	December 31, 2020
Raw materials	\$13,962	\$ 14,023
Work in process	17,554	12,112
Total inventories - net	<u>\$31,516</u>	<u>\$ 26,135</u>

(7) PREPAIDS AND OTHER CURRENT ASSETS

Prepays and other current assets as of June 30, 2021 and December 31, 2020 consisted of the following:

	June 30, 2021	December 31, 2020
Prepaid expenses	\$2,370	\$ 2,628
Government grant receivables	—	5,870
Other current assets	2,555	914
Total prepaids and other current assets	<u>\$4,925</u>	<u>\$ 9,412</u>

(8) PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, as of June 30, 2021 and December 31, 2020 consisted of the following:

	June 30, 2021	December 31, 2020
Buildings and improvements	\$23,305	\$ 20,330
Machinery, equipment, vehicles and office furniture	24,387	23,755
Computer equipment, hardware and software	4,632	3,836

	June 30, 2021	December 31, 2020
Launch site assets	8,845	7,582
Construction in process	9,133	10,177
Property, plant and equipment, gross	70,302	65,680
Less accumulated depreciation and amortization	(19,082)	(15,848)
Property, plant and equipment, net	<u>\$ 51,220</u>	<u>\$ 49,832</u>

Depreciation expense recorded in the condensed consolidated statements of operations and comprehensive loss during the six months ended June 30, 2021 consisted of the following:

	Six-Months Ended June 30,	
Depreciation expense	2021	2020
Cost of revenues.	\$ 1,977	\$ 1,941
Research and development, net	116	119
Selling, general and administrative	1,462	938
Total depreciation expense	<u>3,555</u>	<u>2,998</u>

(9) GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The following table presents the changes in the carrying amount of goodwill for the Space Systems reportable segment for the six months ended June 30, 2021:

Balance at December 31, 2020	\$3,133
Foreign currency translation adjustment	144
Balance at June 30, 2021	<u>\$3,277</u>

Intangible Assets

The components of intangible assets consisted of the following as of June 30, 2021:

	June 30, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Finite-Lived Intangible Assets</i>			
Developed technology	\$ 10,414	\$ (1,748)	\$ 8,666
Capitalized software	3,758	(2,683)	1,075
Customer relationships	679	(266)	413
Non-compete agreement	226	(67)	159
Capitalized intellectual property	225	(66)	159
Trademarks and tradenames	153	(49)	104
<i>Indefinite-Lived Intangible Assets</i>			
In-process research and development	113	—	113
Total	<u>\$ 15,568</u>	<u>\$ (4,879)</u>	<u>\$ 10,689</u>

Amortization expense recorded in the condensed consolidated statements of operations and comprehensive loss during the six months ended June 30, 2021 and 2020, respectively consisted of the following:

<u>Amortization expense</u>	<u>Six-Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cost of revenues.	\$ 236	\$ 141
Research and development, net	743	12
Selling, general and administrative	313	513
Total amortization expense	<u>1,292</u>	<u>666</u>

The following table outlines the estimated future amortization expense related to intangible assets held as of June 30, 2021:

2021 (for the remaining period)	\$ 1,190
2022	2,112
2023	1,768
2024	1,624
2025	1,523
Thereafter	2,472
Total	<u>\$10,689</u>

(10) LOAN AND SECURITY AGREEMENT

Hercules Capital Secured Term Loan

On June 10, 2021, the Company entered into a \$100,000 secured term loan agreement with Hercules Capital, Inc. (the “Hercules Capital secured term loan”) and borrowed the full amount under the secured term loan agreement. The term loan has a maturity date of June 1, 2024 and is secured by substantially all of the assets of the Company. Payments due for the term loan are interest-only until the maturity date with interest payable monthly in arrears. The outstanding principal bears (i) cash interest at the greater of (a) 8.15% or (b) 8.15% plus the prime rate minus 3.25% and (ii) payment-in-kind interest of 1.25% which is accrued and added to the outstanding principal balance. Prepayment of the outstanding principal is permitted under the loan agreement and subject to certain prepayment fees. In connection with the secured term loan, the Company paid an initial facility charge of \$1,000 and the Company will be required to pay an end of term charge of \$3,250 upon repayment of the loan. The secured term loan agreement contains customary representations, warranties, non-financial covenants, and events of default. The Company is in compliance with all debt covenants related to its long-term borrowings as of June 30, 2021. As of June 30, 2021, there was \$98,827 outstanding under the Hercules Capital secured term loan, which is classified as long-term borrowings in the Company’s condensed consolidated balance sheets. As of June 30, 2021, the Company had no availability under the Hercules Capital secured term loan.

In connection with the \$100,000 Hercules Capital secured term loan, the Company repaid the \$15,000 advance under the Revolving Line and Term Loan Line and terminated the Loan and Security Agreement (see below).

Revolving Line and Term Loan Line

On December 23, 2020, the Company entered into a Loan and Security Agreement (the “Loan and Security Agreement”) with Silicon Valley Bank (“SVB”) for a maximum of \$35,000 in financing and issued SVB warrants to purchase 13,432 shares of common stock at a price of \$11.62 per share (see Note 11). The \$35,000 could be drawn upon utilizing the Revolving Line and Term Loan Line (the “Revolving Line and Term Loan Line”) subject to certain terms and conditions. On May 13, 2021, the Company borrowed \$15,000 as a Term Loan advance under its Loan and Security Agreement. On June 10, 2021, the Company repaid the \$15,000 as a Term Loan advance under its Loan and Security Agreement upon funding of the Hercules Capital Secured Term Loan and the Revolving Line was closed.

(11) WARRANTS

Equity Classified

During December 2020, in connection with the Loan and Security Agreement (see Note 10), the Company issued warrants to acquire 13,432 shares of common stock at an exercise price of \$11.62 per share at any given time during a period of ten years beginning on the instrument's issuance date. The fair value of these warrants was \$496 at issuance which was recorded to interest expense upon repayment of the amounts outstanding under the Loan and Security Agreement during the six months ended June 30, 2021.

During 2016, the Company issued warrants to acquire 51,184 shares of common stock at an exercise price of approximately \$0.82 per share at any given time during a period of ten years beginning on the instrument's issuance date. The estimated fair value of these warrants was \$23 at issuance, reflected as equity in the consolidated balance sheets within additional paid-in capital.

The warrants are classified as equity in accordance with ASC 480, *Distinguishing Liabilities from Equity*, as the agreements provide for the settlement of the instruments in shares of common stock. The warrants are required to be measured at fair value at inception and recorded as a component of equity in the consolidated balance sheets. The warrants have not been exercised as of June 30, 2021.

Liability Classified

During 2015, the Company issued warrants to acquire 33,774 shares of Series B Preferred Stock at an exercise price of approximately \$1.80 per share at any given time during a period of ten years beginning on the instrument's issuance date. The fair value of the warrants was \$2,863 and \$1,466 as of June 30, 2021 and December 31, 2020, respectively, and none have been exercised.

During 2016, the Company issued warrants to acquire 13,090 shares and 77,198 shares of Series C and D Preferred Stock, respectively, at an exercise price of \$2.25 and \$19.05 per share, respectively, as a sales incentive for entering into a development agreement with a current customer. The warrants vest as certain milestones within the development agreement are achieved and cost associated with the vesting of the warrants is recognized as a reduction in revenues within the condensed consolidated statements of operations and comprehensive loss as the related revenue is recognized. The cost associated with the remeasurement of the vested warrants to fair value is recognized within other (expense) income, net within the condensed consolidated statements of operations and comprehensive loss. As of June 30, 2021, all warrants to purchase shares of Series C Preferred Stock and Series D Preferred Stock were vested. As of December 31, 2020, warrants to purchase 9,600 shares of Series C Preferred Stock and 56,612 shares of Series D Preferred Stock were vested. The estimated fair value of the vested warrants was \$6,514 and \$2,433 as of June 30, 2021 and December 31, 2020, respectively, and none have been exercised.

The above warrants are classified as liabilities in accordance with ASC 480, *Distinguishing Liabilities from Equity*, as the agreements provide for net cash settlement upon a change in control, which is outside the control of the Company. The warrants are required to be remeasured to fair value at each reporting period with any changes in fair value recorded within other (expense) income, net within the condensed consolidated statements of operations and comprehensive loss and the fair value reported as a liability in the condensed consolidated balance sheets.

(12) CAPITALIZATION

Common Stock

The holder of each share of common stock has the right to one vote for each share and is entitled to notice of any stockholders' meeting and to vote upon certain events.

In the event of any liquidation event, only upon completion of distribution of proceeds to preferred stockholders, all of the remaining proceeds available, if any, shall be distributed among common stockholders pro rata based on the number of shares held by each.

Redeemable Convertible Preferred Stock

Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series E-1 Preferred Stock together will be referred as “Preferred Stock”.

The dividend rate and issue price of Preferred Stock, par value of \$0.0001, as of June 30, 2021 were as follows:

<u>Preferred Stock</u>	<u>Dividend Rate</u>	<u>Issue Price</u>
Series A	\$ 0.05	\$ 0.80
Series B	\$ 0.11	\$ 1.80
Series C	\$ 0.20	\$ 3.37
Series D	\$ 1.71	\$28.57
Series E	\$ 1.89	\$31.53
Series E-1	\$ 1.89	\$31.53

On May 18, 2020, the Company issued 650,140 shares of Series E-1 Redeemable Convertible Preferred Stock in exchange for \$20,500 in cash. Issuance costs in conjunction with this issuance were not material.

The significant rights, privileges and preferences of the Preferred Stock are as follows:

Dividend Rights

The Preferred Stock shall be entitled to receive non-cumulative dividends when declared by board of directors prior and in preference to any declaration or payment of any dividend on the Common Stock at a dividend rate per share as noted above.

The Preferred Stockholders have the right to waive any dividend preference upon the affirmative vote or written consent of majority of the holders of such series Preferred Stock then outstanding. Any additional dividends after payment to Preferred Stock shall be distributed among all holders on an as-if converted basis.

Liquidation Preferences

In the event of any liquidation event, either voluntary or involuntary, which includes (i) a change of control with respect to the Company, (ii) a sale of the Company, (iii) an IPO and (iv) a liquidation, dissolution or winding up of the Company, the holders of Preferred Stock shall be entitled to be paid out of the assets of the Company, prior and in preference to any distribution of the proceeds of a liquidation event to the holders of common stock, an amount per share equal to original issue price per share as noted above of each series of Preferred Stock plus declared but unpaid dividends. Any remaining proceeds available for distribution shall be distributed among holders of common stock.

If the Preferred Stockholder receives an amount greater than the amount on an as if-converted basis, then such amount would be considered for distribution and any such holder who deemed to have converted shall not be entitled to receive any distribution made otherwise to holders of Preferred Stock that have not converted. The treatment of any particular transaction or series of related transactions as liquidation event may be waived by the vote or written consent of holders of the outstanding Preferred Stock.

The Company classifies the Preferred Stock outside of permanent equity in the mezzanine portion of our consolidated balance sheets due to the contingent redemption feature, which is contingent upon certain change of control events, the occurrence of which is not solely within the control of the Company. These contingent events were not considered probable of occurring and as such the Company did not remeasure Preferred Stock to its redemption value each period.

Conversion Rights

Each share of each series of Preferred Stock is convertible, at the option of the holder, at any time after issuance, into the number of fully paid shares of common stock that results from dividing the original issue price of the Preferred Stock by applicable conversion price in effect at the time of conversion. The initial conversion price of the Preferred Stock is equal to its original issue price.

The conversion price of the Preferred Stock is subject to adjustment for any stock dividends, stock splits, combination or other similar recapitalization to protect the holders of the Preferred Stock from dilution.

Each share of Preferred Stock shall automatically be converted, at their then effective conversion price, upon earlier of the following: (i) the closing of the sale of shares of Common Stock in a firm commitment underwritten public offering, the public offering price of which is not less than \$31.53 per share (subject to appropriate adjustment in the event of stock dividend, stock split, combination or other similar recapitalization with respect to Common Stock) and resulting in at least \$100,000 of gross proceeds to the Company, or (ii) at the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least a majority of the then outstanding shares of respective Preferred Stock, voting as a single class on an as converted to Common Stock basis.

Voting Rights

The holders of Preferred Stock have the right to vote as a single class on as-converted basis to Common Stock for treatment of any particular transaction or series of related transactions or certain events. The holders of Preferred Stock have majority voting rights and control the board of directors.

Down-Round Protections

The holders of Series D, Series E and Series E-1 Preferred Stock contain anti-dilutive features apart from customary adjustments for splits and reverse splits of common stock. As a result of these down round features, the Company is required to adjust the consideration per share price in the event of future sales at a lower per share price. In the event down round adjustments are triggered, the values attributable to the adjustment to the convertible preferred stock conversion price are recorded as an increase to additional paid-in capital and increase to accumulated deficit.

(13) STOCK-BASED COMPENSATION

Equity Incentive Plans

The Company has a single stock option and grant plan, the Rocket Lab 2013 Stock Option and Grant Plan (the “2013 Plan”), with the objective of attracting and retaining available employees and directors by providing stock-based and other performance-based compensation. The 2013 Plan provides for the grant of equity awards to officers, employees, directors and other key employees as well as service providers which include incentive stock options, non-qualified stock options, restricted stock awards, unrestricted stock awards, restricted stock units or any combination of the foregoing any of which may be performance based, as determined by the Company’s Compensation Committee.

Total stock-based compensation recorded related to the 2013 Plan in the condensed consolidated statements of operations and comprehensive loss during the six months ended June 30, 2021 and 2020, respectively consisted of the following:

<u>Stock-based compensation</u>	<u>Six-Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cost of goods sold	\$ 604	\$ 715
Research and development	966	421
Selling, general and administrative	809	787
Total stock-based compensation expense	<u>2,379</u>	<u>1,923</u>

The Company was authorized to issue up to 5,481,202 shares of common stock as equity awards to participants under the 2013 Plan as of June 30, 2021. There were 626,110 shares of common stock available for grant as of June 30, 2021.

There have been no material changes in the 2013 Plan since December 31, 2020.

Options

Options issued to all optionees under the 2013 Plan vest over four years from the date of issuance (or earlier vesting start date, as determined by the board of directors) as follows: 25% on the first anniversary of date of grant and the remaining vest monthly over the remaining vesting term.

As of June 30, 2021, total estimated unrecognized stock compensation expense related to unvested options granted under the 2013 Plan was \$2,661, which is expected to be recognized over the next 4 years.

Performance-based Restricted Stock Units

Performance-based restricted stock units are subject to both a time-based service vesting condition and a performance-based vesting condition, both of which must be satisfied before the restricted stock units will be deemed vested. The time-based service vesting condition is generally satisfied over a period of approximately four years as the employees provide service. The performance-based vesting condition is only satisfied upon a sale event (e.g., (i) liquidation of the Company, (ii) sale of all or substantially all of the assets of the Company, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity) or the Company's initial public offering.

As of June 30, 2021, the Company believed it is not probable that the performance condition for the performance-based restricted stock units will be satisfied as such events which would satisfy the performance condition are generally not deemed probable until the event occurs. Accordingly, the Company has not recognized any stock-based compensation expense for these awards. The total unrecognized compensation expense for performance-based restricted stock units as of June 30, 2021 is \$39,146 and will be recognized upon vesting.

(14) LEASES

The Company has operating leases for properties, vehicles and equipment. The Company's leases have remaining lease terms of one year to eighteen years, some of which include options to extend the lease term, and some of which include options to terminate the lease prior to the end of the agreed upon lease term. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options.

There have been no material changes in the Company's lease portfolio since December 31, 2020.

(15) COMMITMENTS AND CONTINGENCIES

Litigation and Claims

The Company is, and from time to time may be, a party to claims and legal proceedings generally incidental to its business that are principally covered under contracts with its customers and insurance policies. In the opinion of management, there are no legal matters or claims likely to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Other Commitments

The Company has commitments under its lease obligations (See Note 14).

Contingencies

The Company records a contingent liability when it is both probable that a loss has been incurred, and the amount can be reasonably estimated. If these estimates and assumptions change or prove to be incorrect, it could have a material impact on the Company's consolidated financial statements. Contingencies are inherently unpredictable, and the assessments of the value can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions.

On May 23, 2016, the Company entered into a launch services agreement with a customer to provide three commercial dedicated launches which would deliver the customer's payloads over the period of 2017 through 2020. Per the terms of the agreement, each dedicated launch shall have a firm fixed price below current launch vehicle costs. During the year ended December 31, 2018, the Company determined that it was probable that the costs to provide the services as stipulated by the launch services agreement would exceed the fixed firm price of each launch. As such, the Company recorded a provision for contract loss for these three dedicated launches. During the year ended December 31, 2020, one of the three launches occurred, and the provision as of December 31, 2020 was \$5,109. On April 21, 2021, the launch services agreement was amended, resulting in one additional launch and the potential for price increases on the second and third launches dependent on the customer's desired payload configuration. The provision for contract losses outstanding as of June 30, 2021 related to the remaining three remaining launches is \$4,066.

(16) INCOME TAXES

Income tax expense and the effective tax rate for the six months ended June 30, 2021 and 2020 were as follows (dollar amounts in thousands):

	Six-Months Ended June 30,	
	2021	2020
Income tax expense	\$ 704	\$ 749
Effective tax rate	-2.2%	-3.3%

The tax provisions for the six months ended June 30, 2021 and 2020 were computed using the estimated effective tax rates applicable to each of the domestic and international taxable jurisdictions for the full year. The Company's tax rate is subject to management's quarterly review and revision, as necessary.

The annual effective tax rate was lower than the federal statutory rate due primarily to a full valuation allowance in the United States and partially offset by recurring items such as foreign taxes based on local country statutory rates, the effect of stock-based compensation, and foreign withholding taxes, as well as by discrete items that may occur in any given year but are not consistent from year to year.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 into law. The new law provides extensive and varied stimulus relief meant to mitigate the impact of COVID-19. The Company will continue to evaluate the impact that the American Rescue Plan will have, if any, on its financial position and effective tax rate in 2021 and beyond.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law. The CARES Act provided numerous tax provisions and other stimulus measures, including temporary changes regarding the prior and future utilization of net operating losses, temporary changes to the prior and future limitations on interest deductions, temporary suspension of certain payment requirements for the employer portion of Social Security taxes, the creation of certain refundable employee retention credits, and technical corrections from prior tax legislation for tax depreciation of certain qualified improvement property. These and other provisions of the CARES Act are not expected to have a material impact on the Company's income tax expense and effective tax rate.

On December 27, 2020, the United States enacted the Consolidated Appropriations Act of 2021 ("CAA"). The CAA includes provisions extending certain CARES Act provisions and adds coronavirus relief, tax and health extenders. The Company will continue to evaluate the impact of the CAA on its financial statements in 2021 and beyond.

The Company is not currently under examination by the IRS, foreign or state and local tax authorities. Due to the net operating loss (“NOL”) carryforwards, the Company remains subject to examination for U.S. federal and state jurisdictions for all years beginning with the year ended March 31, 2016. The Company’s foreign subsidiaries are generally subject to examination within four years from the end of the tax year during which the tax return was filed.

No significant changes in the Company’s unrecognized tax benefits are expected to occur within the next 12 months.

(17) NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during each period. Each series of Preferred Stock is considered to be a participating security. Therefore, the Company applies the two-class method in calculating its net loss per share for periods when the Company generates net income. Net losses are not allocated to the Preferred Stockholders, as they were not contractually obligated to share in the Company’s losses.

Diluted net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common and dilutive common equivalent shares outstanding for the period using the treasury-stock method or the as-converted method, or two-class method for participating securities, whichever is more dilutive. Potentially dilutive shares are comprised of Preferred Stock, Preferred Stock warrants, common stock warrants, restricted stock units and stock options. For the six months ended June 30, 2021 and 2020, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company’s net loss and potentially dilutive shares being anti-dilutive.

The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company for the six months ended June 30, 2021 and 2020:

	Six-Months Ended June 30,	
	2021	2020
<i>Numerator</i>		
Net loss attributable to common shareholders-basic and diluted	\$ 32,547	\$ 23,453
<i>Denominator</i>		
Weighted average common shares outstanding-basic and diluted	8,708,271	8,178,946
Net loss per share attributable to common stockholders-basic and diluted	\$ 3.74	\$ 2.87

The following equity shares were excluded from the calculation of diluted net loss per share attributable to common stockholders because their effect would have been anti-dilutive for the six months ended June 30, 2021 and 2020:

	Six-Months Ended June 30,	
	2021	2020
Preferred stock	31,330,513	31,330,513
Preferred stock warrants	124,062	124,062
Common stock warrants	64,616	51,184
Stock options	2,357,382	2,945,022

(18) SEGMENTS

The Company reports segment information based on the “management” approach. The management approach designates the internal reporting used by management for making decisions and assessing performance as the source of the Company’s reportable segments. The Company manages its business primarily based upon two operating segments, Launch Services and Space Systems. Each of these operating segments represents a reportable segment. Launch Services provides launch services to customer on a dedicated mission or ride share basis. Space Systems is comprised of space engineering, program management, satellite components, spacecraft manufacturing and mission operations. Although many of the Company’s contracts with customers contain elements of Space Systems and Launch Services, each reporting segment is managed separately to better align with customer’s needs and the Company’s growth plans. The Company evaluates the performance of its reportable segments based on gross profit. For contracts with customers that contain both Space Systems and Launch Services elements, revenues for each reporting segment are generally allocated based upon the overall costs incurred for each of the reporting segments in comparison to total overall costs of the contract.

The following table shows information by reportable segment:

	Six-Months Ended June 30,			
	2021 Launch Services	2021 Space Systems	2020 Launch Services	2020 Space Systems
Revenues	\$24,080	\$5,392	\$ 8,460	\$ 293
Cost of revenues	23,695	1,903	14,508	124
Gross profit (loss)	\$ 385	\$3,489	\$ (6,048)	\$ 169

Management does not regularly review either reporting segment's total assets or operating expenses. This is because in general, the Company's long-lived assets, facilities, and equipment are shared by each reporting segment.

(19) RELATED PARTY TRANSACTIONS

There are three members of our Board of Directors that are affiliated with three separate entities that are invested in our common stock, two of which individually hold greater than 5% beneficial ownership. Each entity was granted one seat on our board which is filled by a partner of the affiliated entity. On September 14, 2018 and through subsequent closings, Rocket Lab sold an aggregate of 4,368,313 shares of its Series E convertible preferred stock at a purchase price of \$31.5316 per share, for an aggregate purchase price of \$137,739. In connection with this transaction, these entities acquired 334,267 of Series E convertible preferred stock for \$10,539 and Rocket Lab entered into certain Amended and Restated Investors' Rights Agreement, Amended and Restated Voting Agreement, and Amended and Restated First Refusal and Co-Sale Agreement with each of the purchasers of Rocket Lab's Series E convertible preferred stock, and certain other Rocket Lab stockholders (collectively, the "Investor Agreements"). Such Investor Agreements were subsequently amended and restated in connection with Rocket Lab's Series E-1 convertible preferred stock financing on May 18, 2020 whereby Rocket Lab sold an aggregate of 650,140 shares of its Series E-1 convertible preferred stock at a purchase price of \$31.5316 per share, for an aggregate purchase price of \$20,500. These entities with an affiliated director purchased 142,713 shares of Series E-1 convertible preferred stock for \$4,499.

In March 2019, Rocket Lab facilitated the sale of an aggregate of 625,564 shares of our outstanding common stock from holders of our common stock to funds affiliated with Greenspring Opportunities at a purchase price of \$23.6487 per share for an aggregate purchase price of \$14,300. Pursuant to this transaction, Greenspring Opportunities repurchased 422,857 shares of Rocket Lab common stock from the Rocket Lab CEO, Peter Beck, for \$10,000.

As of June 30, 2021 and December 31, 2020, there are no amounts due to or from related parties.

(20) SUBSEQUENT EVENTS

On March 1, 2021, the Company entered into an Agreement and Plan of Merger ("Merger Agreement") with Vector Acquisition Corporation, a publicly traded special purpose acquisition company and Cayman Islands exempted company ("Vector"), and Prestige USA Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Rocket Lab ("Merger Sub") which was subsequently amended on May 7, 2021 and June 25, 2021.

The Mergers closed August 25, 2021, and Vector became a Delaware corporation ("Delaware Vector"), and Merger Sub merged with and into Delaware Vector, with Delaware Vector surviving the merger as a wholly owned subsidiary of Rocket Lab (the "First Merger"). Immediately following the First Merger, Rocket Lab merged with and into Delaware Vector, with Delaware Vector surviving the merger ("Second Merger", and together with the First Merger, the "Mergers") for form the post-transaction combined entity ("Pubco").

The Mergers will be accounted for as a reverse recapitalization in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Under this method of accounting, Vector Acquisition Corporation will be treated as the "acquired" company for financial reporting purposes and the Company will be treated as the accounting acquirer.

In connection with the Mergers, the shareholders of the Company exchanged their interests in the Company for interests in the Pubco.

The Company has evaluated subsequent events through August 31, 2021, the date that the financial statements were available to be issued and management is not aware of any other subsequent events that would require recognition or disclosure in the financial statements.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of Rocket Lab’s results of operations and financial condition. The discussion should be read in conjunction with Rocket Lab’s financial statements and notes thereto included in and incorporated by reference elsewhere in the Current Report on Form 8-K (the “Report”) to which this Exhibit 99.1 relates. This discussion contains forward looking statements and involves numerous risks and uncertainties. Actual results may differ materially from those contained in any forward looking statements. Please also see the section entitled “*Forward-Looking Statements.*” in Item 2.01 of the Report. You should carefully read the section entitled “*Risk Factors*” in Item 2.01 of the Report to gain an understanding of the important factors that could cause actual results to differ materially from Rocket Lab’s forward-looking statements. Unless the context requires otherwise, capitalized terms used but not defined herein, or for which definitions are not otherwise incorporated by reference herein, shall have the meaning given to such terms in the Report.

Unless otherwise indicated or the context otherwise requires, references in this Management’s Discussion and Analysis of Financial Condition and Results of Operations” section to “Rocket Lab,” “we,” “us,” “our” and other similar terms refer to Rocket Lab and its consolidated subsidiaries prior to the Business Combination and to New Rocket Lab and its consolidated subsidiaries after giving effect to the Business Combination.

Overview

Rocket Lab is an end-to-end space company with an established track record of mission success. We deliver reliable launch services, satellites and other spacecraft, and on-orbit management solutions that make it faster, easier and more affordable to access space.

While our business has historically been centered on the development of small-class launch vehicles and related sale of launch services, we are currently innovating in the areas of medium-class launch vehicles and launch services, space systems design and manufacturing, on-orbit management solutions, and space data applications. Each of these initiatives addresses a critical component of the end-to-end solution and our value proposition for the space economy:

- **Launch Services** is the design, manufacture, and launch of orbital rockets to deploy payloads to various Earth orbits and interplanetary destinations.
- **Space Systems** is the design and manufacture of spacecraft components and spacecraft, as well as on-orbit constellation management services and space data applications.

Electron is our orbital small launch vehicle that was designed from the ground up to accommodate a high launch rate business model to meet the growing and dynamic needs of our customers for small launch services. Since its maiden launch in 2017, Electron has become the leading small spacecraft launch vehicle delivering 105 satellites to orbit for government and commercial customers across 18 successful missions through July 2021. In 2020, Electron was the second most frequently launched rocket by companies operating in the United States and established Rocket Lab as the fourth most frequent launcher globally. Our launch services program has seen us develop many industry innovations, including 3D printed rocket engines, an electric-pump-fed rocket engine, fully carbon composite first stage fuel tanks, a private orbital launch complex, a rocket stage that converts into a spacecraft on orbit, and the ability to successfully recover a stage from space, providing a path to reusability.

In March 2021, we announced plans to develop our reusable-ready medium-capacity Neutron launch vehicle which will increase the payload capacity of our space launch vehicles to approximately 17,000 lbs (8,000 kg), for launches to low-Earth orbit and lighter payloads into higher orbits. Neutron will be tailored for commercial and U.S. government constellation launches and capable of human space flight and cargo and crew resupply to the International Space Station. Neutron will also provide a dedicated service to orbit for larger civil, defense and commercial payloads that need a level of schedule control and high-flight cadence not available on large and heavy lift rockets. Neutron is expected to have the capability of launching nearly all of the spacecraft that we expect to be launched through 2029 and we expect to be able to leverage Electron’s flight heritage, various vehicle subsystems designs, launch complexes and ground station infrastructure.

Our space systems initiative is centered on the design, manufacture, and sale of the Photon family of small spacecraft, which are configurable for a range of low Earth orbit, medium Earth orbit, geosynchronous orbit and interplanetary missions. Our Photon family of spacecraft enable us to offer an end-to-end mission solution encompassing launch, spacecraft, ground services and mission operations to provide customers with streamlined access to orbit with Rocket Lab as a single mission partner.

Our space systems initiative is also supported by the design and manufacture of a range of components for satellites and other spacecraft, including reaction wheels, star trackers, magnetic torque rods and batteries and has additional products in development to serve a wide variety of sub-system functions. We entered this market with our acquisition of leading spacecraft components manufacturer Sinclair Interplanetary, which brought incremental vertically-integrated capabilities for our own spacecraft and also enabled Rocket Lab to deliver high-volume manufacturing of critical spacecraft components at scale prices to the broader spacecraft merchant market.

Key Metrics and Select Financial Data

We monitor the following key financial and operational metrics that assist us in evaluating our business, measuring our performance, identifying trends and making strategic decisions.

Launch Vehicle Build-Rate and Launch Cadence

We built approximately three launch vehicles in 2019 and built approximately eight launch vehicles in 2020. We plan to continue growing our build rate in 2021 with 12 launch vehicles in 2021 and believe the growth in build rate is a positive indicator of our ability to scale our manufacturing operations in support of our anticipated growth rate in revenue in the coming years.

We launched six vehicles in 2019, seven vehicles in 2020 and four vehicles through July 2021. The number of launches is an indicator of our ability to convert mission awards into revenue in a timely manner and demonstrate the scalability of our launch operations. Growth rates between launches and total revenue are not perfectly correlated because our total revenue is affected by other variables, such as the revenue per launch, which can vary considerably based on factors such as unique orbit and insertion requirements, payload handling needs, launch location, time sensitivity of mission completion and other factors.

Recent developments

Business Combination

On March 1, 2021, the Company entered into an Agreement and Plan of Merger (“Merger Agreement”) with Vector Acquisition Corporation, a publicly traded special purpose acquisition company and Cayman Islands exempted company (“Vector”), and Prestige USA Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Rocket Lab (“Merger Sub”) which was subsequently amended on May 7, 2021 and June 25, 2021.

The Mergers will be accounted for as a reverse recapitalization in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Under this method of accounting, Vector Acquisition Corporation will be treated as the “acquired” company for financial reporting purposes and the Company will be treated as the accounting acquirer.

The Mergers closed August 25, 2021, and Vector became a Delaware corporation (“Delaware Vector”), and Merger Sub merged with and into Delaware Vector, with Delaware Vector surviving the merger as a wholly owned subsidiary of Rocket Lab (the “First Merger”). Immediately following the First Merger, Rocket Lab merged with and into Delaware Vector, with Delaware Vector surviving the merger (“Second Merger”, and together with the First Merger, the “Mergers”) for form the post-transaction combined entity (“New Rocket Lab”). After the Mergers, the gross amount of cash that that the combined company will receive from Vector’s trust account and concurrent PIPE financing upon the closing of the Mergers, before transaction expenses, will be approximately \$777 million.

In connection with the Mergers, the shareholders of the Company exchanged their interests in the Company for interests in the New Rocket Lab.

Revenue Growth

Six Months Ended June 30, 2021 and 2020

We generated \$29.5 million and \$8.8 million in revenue for the six months ended June 30, 2021 and 2020, respectively, representing a year-on-year increase in revenue of approximately 237%. This year-on-year increase was

driven by growth in both our Launch Service revenue, which experienced higher revenue per launch as well a higher launch cadence as compared to the prior year period ending June 30, 2020 as well as strong revenue growth in Space Systems across spacecraft component sales and spacecraft engineering services, which benefited not only from full year-to-date impact of the acquisition of Sinclair Interplanetary that closed in April 2020, but also from initial shipments of reaction wheels to a commercial constellation customer, as well as contribution from six Space Systems satellite engineering services programs.

Revenue Value Per Launch

Revenue value per launch represents the average revenue per launch contract attributable to launches that occurred during a period, regardless of when the revenue was recognized. Revenue value per launch can be a useful metric to provide insight into general competitiveness and price sensitivity in the marketplace. Revenue value per launch can vary considerably, based on factors such as unique orbit and insertion requirements, payload handling needs, launch location, time sensitivity of mission completion and other factors, and as such may not provide absolute clarity with regards to pricing and competitive dynamics in the marketplace.

Six Months Ended June 30, 2021 and 2020

In the six months ended June 30, 2021 and 2020, our revenue value per launch was \$7.8 million and \$6.9 million, respectively and cost per launch was \$5.6 million and \$7.3 million for the six months ended June 30, 2021 and 2020, respectively.

Backlog

Backlog represents future revenues that we would recognize in connection with the completion of all contracts and purchase orders that had been entered into by our customers, excluding any customer options for future products or services that have not yet been exercised. Contracts for launch services and spacecraft builds typically include termination rights that may be exercised by customers upon advanced notice and payment of a specified termination fee. As of June 30, 2021, our backlog totaled \$141.4 million. We expect to recognize approximately 72% of our backlog over the next 12 months and the remainder recognized thereafter.

Key Factors Affecting Our Performance

COVID-19 Pandemic

In December 2019, the novel coronavirus (“**COVID-19**”) surfaced in Wuhan, China. The World Health Organization (“**WHO**”) declared a global emergency on January 30, 2020 with respect to the outbreak, and several countries have initiated travel restrictions, closed borders and given social distancing directives, including instructions requiring “shelter-in-place”. On March 11, 2020, the WHO declared the COVID-19 outbreak a pandemic. As a result of the pandemic, the United States and New Zealand governments shut down various sectors of the respective economies. In the United States, we were deemed an essential service and no pauses were made to our United States’ based operations. As a result of the shutdown in New Zealand, we had to delay certain scheduled launches to a later date. In addition to existing travel restrictions, some locales may impose prolonged quarantines and further restrict travel, which may significantly impact the ability of our employees to get to their places of work to produce products, may make it such that we are unable to obtain certain long lead time components on a timely basis or at a cost-effective price, or may significantly hamper our customers from traveling to our launch facilities to prepare payloads for launch.

Due to a recently discovered number of new Covid-19 cases, New Zealand moved to Alert Level 4 on August 17th 2021, indicating Auckland will remain at Alert Level 4 for at least 7 days. Under an Alert Level 4 in New Zealand, individuals must stay home other than for essential personal movement. Rocket Lab has significant operations in Auckland, New Zealand, and while some employees will be able to continue their work remotely, certain business operations that require direct labor and physical presence, such as vehicle integration and testing, will be suspended during this and any other Level 4 Alerts. The extent of COVID-19’s effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. At this time, it is not possible to determine the magnitude of the overall impact of COVID-19 on our business. However, it could have a material adverse effect on our business, financial condition, liquidity, results of operations and cash flows.

Rocket Lab continues to adhere to all required governmental precautionary measures intended to help minimize the risk of the virus to its employees.

Ability to sell additional launch services, space systems and service and spacecraft components to new and existing customers

Our results will be impacted by our ability to sell our launch services, space systems and services, and spacecraft components to new and existing customers. We have had success with Electron successfully launching 17 times delivering 104 satellites to orbit through June 30, 2021. Our spacecraft components have flown on more than 100 spacecrafts and our family of Photon spacecraft has been awarded missions to the Moon, Mars and Venus. Our growth opportunity is dependent on our ability to expand our addressable launch services market with larger volumetric and higher mass payloads capabilities of our recently announced medium-capacity Neutron launch vehicle, which will address large commercial and government constellation launch opportunities. Our growth opportunity is also dependent on our ability to win satellite spacecraft constellation missions and expand our portfolio of strategic spacecraft components. Our ability to sell additional products to existing customers is a key part of our success, as follow-on purchases indicate customer satisfaction and decrease the likelihood of competitive substitution. To sell additional products and services to new and existing customers, we will need to continue to invest significant resources in our products and services. If we fail to make the right investment decisions, if customers do not adopt our products and service, or if our competitors are able to develop technology or products and services that are superior to ours, our business, prospects, financial condition and operating results could be adversely affected.

Ability to improve profit margins and scale our business

We intend to continue investing in initiatives to improve our operating leverage and significantly ramp production. We believe continued reduction in costs and an increase in production volumes will enable the cost of launch vehicles to decline and expand our gross margins. Our ability to achieve our production-efficiency objectives could be negatively impacted by a variety of factors including, among other things, lower-than-expected facility utilization rates, manufacturing and production cost overruns, increased purchased material costs and unexpected supply-chain quality issues or interruptions. If we are unable to achieve our goals, we may not be able to reduce operating costs, which would negatively impact gross margin and profitability.

Government expenditures and private enterprise investment into the space economy

Government expenditures and private enterprise investment has fueled the growth in our target markets. We expect the continued availability of government expenditures and private investment for our customers to help fund purchases of our products and services will remain. This is an important factor in our company's growth prospects.

Components of Results of Operations***Revenue***

Our revenues are derived from a combination of long-term fixed price contracts for launch services and spacecraft builds, and purchase order spacecraft components sales. Revenues from long-term contracts are recognized using either the "point-in-time" or "over-time" method of revenue recognition. Point-in-time revenue recognition results in cash payments being initially accrued to the balance sheet as deferred revenue as contractual milestones are accomplished and then recognized as revenue once the final contractual obligation is completed. Over-time revenue recognition is based on an input measure of progress based on costs incurred compared to estimated total costs at completion. Each project has a contractual revenue value and an estimated cost. The over-time revenue is recognized based on the percentage of the total project cost that has been realized.

Estimating future revenues and associated costs and profit is a process requiring a high degree of management judgment, including management's assumptions regarding our future operational performance as well as general economic conditions. Frequently, the period of performance of a contract extends over a long period of time and, as such, revenue recognition and our profitability from a particular contract may be affected to the extent that estimated costs to complete are revised, delivery schedules are delayed, performance-based milestones are not achieved or progress under a contract is otherwise impeded. Accordingly, our recorded revenues and operating profit from period to period can fluctuate significantly depending on when the point-in-time or over-time contractual obligations are achieved. In the event cost estimates indicate a loss on a contract, the total amount of such loss is recorded in the period in which the loss is first estimated.

For a description of our revenue recognition policies, see the section titled "*— Critical Accounting Policies and Estimates.*"

Cost of revenues

Cost of revenues consists primarily of direct material and labor costs, manufacturing overhead, other personnel-related expenses, which include salaries, bonuses, benefits and stock-based compensation expense, reserves for estimated warranty costs, freight expense and depreciation expense. Cost of revenues also includes charges to write-down the carrying value of inventory when it exceeds its estimated net realizable value, including on-hand inventory that is either obsolete or in excess of forecasted demand. We expect our cost of revenues to increase in absolute dollars in future periods as we sell more launch services, space systems and components. As we grow into our current capacity and execute on cost-reduction initiatives, we expect our cost of revenues as a percentage of revenue to decrease over time.

Because direct labor costs and manufacturing overhead comprise more than 60% of cost of revenues, increasing our production rate resulting in greater absorption of these costs is our most critical cost reduction initiative. Increasing our production rate is a cross-functional effort involving manufacturing, engineering, supply chain and finance.

Operating expenses

Our operating expenses consist of research and development and selling, general and administrative expenses.

Research and development

Research and development expense consists primarily of personnel-related expenses, consulting and contractor expenses, validation and testing expense, prototype parts and materials and depreciation expense. We intend to continue to make significant investments in developing new products and enhancing existing products. Research and development expense will be variable relative to the number of products that are in development, validation or testing. However, we expect it to decline as a percentage of total revenue over time.

Selling, general and administrative

Selling, general and administrative expenses consist primarily of personnel-related expenses for our sales, marketing, supply chain, finance, legal, human resources and administrative personnel, as well as the costs of customer service, information technology, professional services insurance, travel, allocated overhead and other marketing, communications and administrative expenses. We will continue to actively promote our products. We also expect to invest in our corporate organization and incur additional expenses associated with transitioning to, and operating as, a public company, including increased legal and accounting costs, investor relations costs, higher insurance premiums and compliance costs. As a result, we expect that selling, general and administrative expenses will increase in absolute dollars in future periods but decline as a percentage of total revenue over time.

Interest income, net

Interest income consists primarily of interest income earned on our cash and cash equivalents and short-term investments balances.

Other expense (income), net

Other expense (income), net primarily relates to currency fluctuations that generate foreign exchange gains or losses on invoices denominated in currencies other than the U.S. dollar, and changes in the fair value of warrant liabilities.

Provision for income taxes

We are subject to income taxes in the United States, but due to our NOL position, we have not recognized any provision or benefit in recent years.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided when it is more likely than not that the deferred tax assets will not be realized. We have established a full valuation allowance to offset our U.S. net deferred tax assets due to the uncertainty of realizing future tax benefits from our NOL carryforwards and other deferred tax assets.

Results of Operations

The following table sets forth our consolidated statements of operations information and data as a percentage of revenue for each of the periods indicated (in thousands):

	Six-Months Ended June 30,			
	2021		2020	
Revenues	\$ 29,472	100.0%	\$ 8,753	100.0%
Cost of revenues	25,598	86.9	14,632	167.2
Gross profit	3,874	13.1	(5,879)	(67.2)
Operating expenses:				
Research and development, net	15,607	53.0	6,106	69.8
Selling, general and administrative	13,692	46.4	11,320	129.3
Total operating expenses	29,299	99.4	17,426	199.1
Operating loss	(25,425)	(86.3)	(23,305)	(266.3)
Other income (expense):				
Interest income (expense), net	(402)	(1.3)	243	2.8
Loss on foreign exchange	(405)	(1.4)	(435)	(5.0)
Other income (expense), net	(5,611)	(19.0)	793	9.1
Total other income (expense), net	(6,418)	(21.7)	601	6.9
Loss before income taxes	(31,843)	(108.0)	(22,704)	(259.4)
Provision for income taxes	(704)	(2.4)	(749)	(8.6)
Net loss	<u><u>\$ (32,547)</u></u>	<u><u>(110.4)%</u></u>	<u><u>\$ (23,453)</u></u>	<u><u>(268.0)%</u></u>

Comparison of the Six-Months Ended June 30, 2020 and June 30, 2021

Revenues

(in thousands, except percentages)	Six-Months Ended June 30,			
	2021	2020	\$ Change	% Change
Revenues	\$29,472	\$8,753	\$20,719	237%

Revenue increased by \$20.7 million, or 237%, for the six months ended June 30, 2021 as compared to June 30, 2020, driven by strong growth in both Launch Service revenue, which experienced a higher launch cadence and higher revenue per launch as compared to the prior year period ended June 30, 2020 as well as strong revenue growth in the Space Systems revenue across spacecraft component and spacecraft engineering services, which benefited from full year-to-date contribution from the acquisition of Sinclair Interplanetary that closed in April of 2020. Launch services product revenue for the six months ended June 30, 2021 was \$24.1 million, an increase of \$15.6 million or 185%. Space systems revenue for the six months ended June 30, 2021 was \$5.4 million, an increase of \$5.1 million or 1741%.

Cost of revenues

(in thousands, except percentages)	Six-Months Ended June 30,			
	2021	2020	\$ Change	% Change
Cost of revenues	\$25,598	\$14,632	\$10,966	75%

Cost of revenues increased by \$11.0 million, or 75%, for the six months ended June 30, 2021 as compared to June 30, 2020, primarily due to higher launch cadence and direct launch costs as well as increased volume across products and services in our Space System business. Launch services cost of revenue for the six months ended June 30, 2021 was \$23.7 million, an increase of \$9.2 million or 63%. Space systems cost of revenues for the six months ended June 30, 2021 was \$1.9 million, an increase of \$1.8 million or 1435%. Cost of revenues as a percentage of revenues decreased to 86.9% from 167.2% for six months ended June 30, 2021 as compared to June 30, 2020 as our launch cadence and space system businesses experienced an increase in volume allowing greater absorption of overhead expenses, combined with average revenue per launch increasing, and a shift in sales mix toward higher margin Space Systems business.

Research and development, net

(in thousands, except percentages)	Six-Months Ended June 30,			
	2021	2020	\$ Change	% Change
Research and development, net	\$15,607	\$6,106	\$ 9,501	156%

Research and development expense increased by \$9.5 million, or 156%, for the six months ended June 30, 2021 as compared to June 30, 2020, primarily due to increased staffing and prototype expenses related to our space systems products, launch vehicle automated flight termination system development efforts, and the initial spend on our recently announced Neutron launch vehicle.

Selling, general and administrative

(in thousands, except percentages)	Six-Months Ended June 30,			
	2021	2020	\$ Change	% Change
Selling, general and administrative	\$13,692	\$11,320	\$ 2,372	21%

General and administrative expense increased by \$2.4 million, or 21%, for the six months ended June 30, 2021 as compared to June 30, 2020, primarily due to increased headcount and related labor expenses, software licenses and subscriptions, and professional services and audit expenses related to preparation for a capital market transaction, partially offset by reductions in facility and other related overhead expenses.

Interest income (expense), net

(in thousands, except percentages)	Six-Months Ended June 30,			
	2021	2020	\$ Change	% Change
Interest income (expense), net	\$(402)	\$243	\$ (645)	-265%

Interest income (expense) decreased by \$0.6 million, or 265%, for the six months ended June 30, 2021 as compared to June 30, 2020, primarily due to a \$0.8 million decrease in interest earned on lower cash balances.

Loss on foreign exchange

(in thousands, except percentages)	Six-Months Ended June 30,			
	2021	2020	\$ Change	% Change
Loss on foreign exchange	\$(405)	\$(435)	\$ 30	-7%

Loss on foreign exchange declined by 7% for the six months ended June 30, 2021 as compared to June 30, 2020.

Other income (expense), net

(in thousands, except percentages)	Six-Months Ended June 30,			
	2021	2020	\$ Change	% Change
Other income (expense), net	\$(5,611)	\$793	\$ (6,404)	-808%

Other income (expense), net decreased by \$6.4 million, or 808%, for the six months ended June 30, 2021 as compared to June 30, 2020, primarily due to a \$5.1 million expense related to fair value mark-to-market adjustments for customer and lender stock warrants and \$0.8 million in interest expense and bank fees related to our term loan initiation with Hercules and the termination of the SVB term loan.

Provision for income taxes

(in thousands, except percentages)	Six-Months Ended June 30,			
	2021	2020	\$ Change	% Change
Provision for income taxes	\$(704)	\$(749)	\$ 45	-6%

Provision for income taxes were consistent between the six months ending June 30, 2021 as compared to June 30, 2020, income taxes are primarily driven by transfer pricing income taxes related to our New Zealand cost plus subsidiary.

Liquidity and Capital Resources

Statement of Cash Flow Comparison of the Six-Months Ended June 30, 2020 and June 30, 2021

The following table summarizes our cash flows for the periods presented:

(in thousands)	Six months ended	
	June 30, 2021	June 30, 2020
Net cash provided by (used in):		
Operating activities	\$ (36,582)	\$ (12,098)
Investing activities	\$ (5,699)	\$ (27,826)
Financing activities	\$ 97,369	\$ 20,522
Effect of exchange rate changes	\$ 20	\$ (113)
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ 55,108</u>	<u>\$ (19,515)</u>

Cash Flows from Operating Activities

Net cash used for operating activities of \$36.6 million for the six months ended June 30, 2021 consisted of net loss of \$32.5 million, an increase from non-cash adjustments of \$13.7 million and a net decrease in cash related to changes in operating assets and liabilities of \$17.8 million. The \$13.7 million in non-cash adjustments primarily consisted of preferred stock warrants of \$5.5 million, depreciation and amortization of \$4.8 million, stock-based compensation expense of \$2.4 million, noncash lease expense of \$1.0 million and loss on debt extinguishment of \$0.5 million, partially offset by \$0.6 million of deferred income tax expense. The \$17.8 million net decrease in cash related to changes in operating assets and liabilities was primarily due to an increase in accounts receivable of \$19.6 million due to lengthened payment terms extended to a strategic customers undergoing a protracted financing process, an increase in inventory of \$5.3 million, a net decrease in the remaining current liability accounts of \$1.5 million primarily driven by the release of a loss reserve on commercial launch customer contract and a decrease in non-current lease liabilities of \$1.2 million, which were partially offset by an increase in contract liabilities of \$5.0 million resulting from collections received in advance of revenue recognition, a net decrease in the remaining current asset accounts of \$4.0 million driven by a decline in grant receivables, and an increase in employee benefits payable of \$0.8 million.

Cash Flows from Investing Activities

Cash used in investing activities for the six months ended June 30, 2021 of \$5.7 million was primarily driven by continued investment towards our second launch pad at Launch Complex 1 in Mahia, New Zealand and our propulsion development and test facility near Auckland, New Zealand as well as other companywide infrastructure related support initiatives. The decrease in cash used in investing activities for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 primarily resulted from:

- The \$9.9 million year-on-year decline in cash consumed by property, equipment and software for the six months ended June 30, 2021, which was primarily driven by the completion of the Rocket Lab headquarters located in Long Beach, California in the six months ended June 30, 2020; and
- The \$12.2 million year-on-year decline in cash consumed for acquisitions, net of acquired cash for the six months ended June 30, 2021, which was due to the acquisition of Sinclair Interplanetary that closed in the six months ended June 30, 2020.

Cash Flows from Financing Activities

Cash provided by financing activities for the six months ended June 30, 2021 of \$97.4 million was primarily derived from the combined proceeds of two distinct and unrelated debt facilities with Hercules Capital, Inc. and SVB totaling \$113.9 million, which was partially offset by \$15.0 million used in the period to completely retire the SVB credit facility, and \$2.3 million of deferred transaction expenses related to the Business Combination with Vector Acquisition Corporation.

Capital Resources and Prospective Capital Requirements

Since inception, we have funded our operations with proceeds from sales of our capital stock, bank debt, research and development grant proceeds, and cash flows from the sale of our products and services. As of December

31, 2020, we had \$52.8 million of cash and cash equivalents and as of June, 30 2021 we had \$107.9 million of cash and cash equivalents. Our primary requirements for liquidity and capital are investment in new products and technologies, the expansion of existing manufacturing facilities, working capital, debt service, acquisitions and general corporate needs. Historically, these cash requirements have been met through the net proceeds we received through private sales of equity securities, borrowings under our credit facilities, and payments received from customers.

We believe that our existing cash and cash equivalents, and \$777 million in gross funds raised in connection with the Business Combination and the PIPE Investment and payments from customers will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months.

With the funds raised in connection with the Business Combination and the PIPE Investment, we expect no additional capital will be needed to execute our business plan over the next 12 months. We will continue to invest in increasing production and expanding our product offerings through acquisitions.

Our future capital requirements will depend on many factors, including our launch cadence, traction in space system, the expansion of sales and marketing activities, the timing and extent of spending to support product development efforts, the introduction of new and enhanced products, the continuing market adoption of our products, the timing and extent of additional capital expenditures to invest in existing and new office spaces. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products and technologies. We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued product innovation, we may not be able to compete successfully, which would harm our business, operations and financial condition.

Loan and Security Agreement

Hercules Capital Secured Term Loan

On June 10, 2021, the Company entered into a \$100 million secured term loan agreement with Hercules Capital, Inc. (the “Hercules Capital secured term loan”) and borrowed the full amount under the secured term loan agreement. The term loan has a maturity date of June 1, 2024 and is secured by substantially all of the assets of the Company. Payments due for the term loan are interest-only until the maturity date with interest payable monthly in arrears. The outstanding principal bears (i) cash interest at the greater of (a) 8.15% or (b) 8.15% plus the prime rate minus 3.25% and (ii) payment-in-kind interest of 1.25% which is accrued and added to the outstanding principal balance. Prepayment of the outstanding principal is permitted under the loan agreement and subject to certain prepayment fees. In connection with the secured term loan, the Company paid an initial facility charge of \$1 million and the Company will be required to pay an end of term charge of \$3.25 million upon repayment of the loan. The secured term loan agreement contains customary representations, warranties, non-financial covenants, and events of default. The Company is in compliance with all debt covenants related to its long-term borrowings as of June 30, 2021. As of June 30, 2021, there was \$98.8 million outstanding under the Hercules Capital secured term loan, which is classified as long-term borrowings in the Company’s condensed consolidated balance sheets. As of June 30, 2021, the Company had no availability under the Hercules Capital secured term loan.

In connection with the \$100 million Hercules Capital secured term loan, the Company repaid the \$15 million advance under the Revolving Line and Term Loan Line and terminated the Loan and Security Agreement (see below).

Revolving Line and Term Loan Line

On December 23, 2020, the Company entered into a Loan and Security Agreement “(the Loan and Security Agreement)” with Silicon Valley Bank (“SVB”) for a maximum of \$35 million in financing which includes a warrant to purchase 13,432 shares of common stock at a price of \$11.62 per share (see Note 11). The \$35 million may be drawn upon utilizing the Revolving Line and Term Loan Line (the “Revolving Line and Term Loan Line”) subject to certain terms and conditions. On May 13, 2021, the Company borrowed \$15 million as a Term Loan advance under

its Loan and Security Agreement. On June 10, 2021, the Company repaid the \$15 million as a Term Loan advance under its Loan and Security Agreement upon funding of the Hercules Capital Secured Term Loan and the Revolving Line was closed.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in foreign currency exchange rates and interest rates.

Foreign Currency Exchange Risk

Our reporting currency is the U.S. dollar, and the functional currency of each of our subsidiaries is either its local currency. The assets and liabilities of each of our subsidiaries are translated into U.S. dollars at exchange rates in effect at each balance sheet date and operations accounts are translated using the average exchange rate for the relevant period. Decreases in the relative value of the U.S. dollar to other currencies may negatively affect revenue and other operating results as expressed in U.S. dollars. Foreign currency translation adjustments are accounted for as a component of accumulated other comprehensive income (loss) within stockholders' equity. Gains or losses due to transactions in foreign currencies are reflected in the consolidated statements of operations under the line item "Other income, net." Despite approximately 52% of our cash expenditures in 2020 being denominated in foreign currencies, while materially all of our revenues are denominated in U.S. dollars, we have not engaged in the hedging of foreign currency risk to date, although we may choose to do so in the future. As such, a 10% or greater move in exchange rates versus the U.S. dollar could have a material impact on our financial results and position.

Interest Rate Risk

We had cash and cash equivalents of \$107.9 million as of June 30, 2021, comprised of operating accounts and money market instruments. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Emerging Growth Company Status

In April 2012, the JOBS Act was enacted. Section 107(b) of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the extended transition period to comply with new or revised accounting standards and to adopt certain of the reduced disclosure requirements available to emerging growth companies. As a result of the accounting standards election, we will not be subject to the same implementation timing for new or revised accounting standards as other public companies that are not emerging growth companies which may make comparison of our financials to those of other public companies more difficult.

Critical Accounting Policies and Estimates

We believe that the following accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations. See Note 2 to our consolidated financial statements appearing elsewhere in this Report for a description of our other significant accounting policies. The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and judgments that affect the amounts reported in those financial statements and accompanying notes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

Revenue Recognition

We generate revenue from launch services and space systems. Launch services may be provided as a mission dedicated to a single customer or as a rideshare arrangement with multiple spacecraft from multiple customers. Space systems revenue is comprised of space engineering, program management, satellite components, spacecraft manufacturing and mission operations.

Revenue is recognized when control of the promised product or service is transferred to our customers at an amount that reflects the consideration we expect to be entitled to in exchange for those products or services. Historically, our revenue contracts have been fixed-price contracts. To the extent actual costs vary from the cost upon which the price was negotiated, we will generate variable levels of profit or could incur a loss.

Our launch service contracts generally contain a single performance obligation, to provide launch services, as there are not distinct and separately identifiable promises contained in the contracts aside from the complex and interrelated nature of launch services activities. Similarly, our space systems contracts generally contain a single performance obligation as there are typically not distinct and separately identifiable promises contained in the contracts aside from the complex and interrelated nature of the manufacturing, engineering or operations activities as specified per the agreement. Where contracts contain a single performance obligation, the entirety of the transaction price is allocated to this one performance obligation. For contracts with multiple performance obligations, the transaction price is allocated to each performance obligation based on the estimated standalone selling price of the product or service underlying each performance obligation. The standalone selling price represents the amount we would sell the product or service to a customer on a standalone basis.

The transaction price represents the amount of consideration to which we expect to be entitled in exchange for transferring the promised services to its customers. The consideration promised within a contract may include fixed amounts and variable amounts. Variable consideration may consist of final milestone payments or mission success fees that are earned when the payload is delivered to the specified orbit, amongst other types.

We estimate variable consideration at the most likely amount, which is included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur.

We recognize revenue when or as control is transferred to the customer, either over time or at a point in time.

Generally, launch services revenue is recognized at a point in time when control transfers upon intentional ignition of the launch or where successful delivery milestones are applicable, such as upon delivery of the satellite to the specified orbit. In some circumstances, launch service revenue is recognized over-time when it is determined that there is no alternative use for the mission, due to contractual or practical limitations, and when we have an enforceable right to payment for the services performed to date including a reasonable profit.

Revenue for space systems is recognized at a point-in-time or over-time depending upon the nature of the contract with customer. For contracts to provide space engineering, program management and mission operations, we recognize revenues over-time as the customer simultaneously receives and consumes the benefits provided by our performance as we perform. Similarly, spacecraft manufacturing is recognized over-time when it is determined that there is no alternative use for the mission, due to contractual or practical limitations, and where we have an enforceable right to payment for the services performed to date including a reasonable profit, otherwise revenue is recognized point-in-time when the sale is completed.

For revenue recognized over-time, we use an input method, based on costs incurred relative to total estimated costs at completion to estimate the percentage of completion. The costs incurred are determined by assessing the physical and technical progress on the spacecraft applied to the standard costs. Due to the nature of the work performed under spacecraft construction contracts, the estimation of physical and technical progress requires judgment and is subject to many variables including but not limited to actual progress and costs incurred, labor productivity, changes in cost and availability of materials.

Timing may differ between the satisfaction of performance obligations and the invoicing and collection of amounts related to our contracts with customers.

Contract assets include unbilled amounts under contracts when revenue recognized exceeds the amount billed to the customer. Contract assets are transferred to accounts receivable when the right to invoice becomes unconditional and the invoice is issued. Contract assets are classified as current if the invoice will be delivered to the customer within the succeeding 12-month period with the remaining recorded as long-term. Contract liabilities primarily consists of customer billings in advance of revenues being recognized.

Fair Value of Common Stock

Due to the absence of an active market for Rocket Lab Common Stock, the fair value of Rocket Lab Common Stock is estimated based on current available information. This estimate requires significant judgment and considers several factors, such as estimated probabilities of future liquidation scenarios, future equity values estimated based on projected future cash flows and guideline public company information, discount rates, expected volatility and discounts for lack of marketability. These estimates are highly subjective in nature and involve a large degree of uncertainty.

Such estimates of the fair value of Rocket Lab Common Stock are used in the measurement of stock-based compensation expense and common stock and preferred stock warrants.

Stock-based Compensation Expense

Our stock compensation plan is classified as an equity plan which permits stock awards in the form of employee stock options and restricted stock awards. For awards that vest solely based on continued service, the fair value of an award is recognized as an expense over the requisite service period on a straight-line basis. For awards that contain performance conditions, the fair value of an award is recognized based on the probability of the performance condition being met.

The fair value of stock options under our employee equity incentive plan are estimated as of the grant date using the Black-Scholes option valuation model, which is affected by estimates of the fair value per share of Rocket Lab Common Stock, the risk-free interest rate, expected dividend yield, expected term and the expected share price volatility of its common shares over the expected term, which are estimated as follows:

- Fair value per share of common stock. We are privately held with no active public market. Due to the absence of an active market for Rocket Lab Common Stock, the fair value of Rocket Lab Common Stock for purposes of determining the exercise price for stock option grants and the fair value at grant date was estimated based on highly subjective and uncertain information. The exercise price of stock options is set at least equal to the fair value of Rocket Lab Common Stock on the date of grant.
- Expected volatility. We estimate the expected volatility based on the weighted average historical volatilities of a pool of public companies that are comparable to us, since Rocket Lab Common Stock is not publicly traded and does not have a readily determinable fair value. Expected volatility represents the estimated volatility of the shares over the expected life of the options.
- Expected term. We determine the expected term of the awards using the simplified method due to our insufficient history of option exercise and forfeiture activity. The simplified method estimates the expected term based on the average of the vesting period and contractual term of the stock option.
- Risk-free interest rate. The risk-free interest rate for periods within the expected life of the option is derived from the U.S. treasury interest rates in effect at the date of grant.
- Estimated dividend yield. We use an expected dividend yield of zero since no dividends are expected to be paid.

The fair value of restricted stock units granted under our employee equity incentive plan are estimated as of the grant date in an amount equal to the estimated fair value per share of Rocket Lab Common Stock. There have been no stock-based compensation charges related to the restricted stock units in 2019 and 2020 or the first six months of 2021 due to these awards having neither vested nor having been accelerated per the terms of the Rocket Lab Corporation Second Amended and Restated 2013 Stock Option and Grant Plan. Upon the vesting or acceleration of these restricted stock units, it is expected that there will be a catch-up stock-based compensation charge of approximately \$39,146,497 which will be recognized upon vesting.

The assumptions used in calculating the fair value of stock-based awards represent our best estimates, however, these estimates involve inherent uncertainties and the application of judgment. As a result, if factors change or we use different assumptions, stock-based compensation expense could be materially different in the future.

Income Taxes

We use the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized by applying the statutory tax rates in effect in the years in which the differences between the financial reporting and tax filing bases of existing assets and liabilities are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

We utilize a two-step approach to recognizing and measuring uncertain income tax positions (tax contingencies). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. We make estimates, assumptions and judgments to determine its provision for income taxes and also for deferred tax assets and liabilities and any valuation allowances recorded against deferred tax assets. Actual future operating results and the underlying amount and type of income could differ materially from our estimates, assumptions and judgments thereby impacting its consolidated financial position and results of operations.

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements included elsewhere in this prospectus for additional details regarding recent accounting pronouncements.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information presents the combination of the financial information of Vector and Rocket Lab adjusted to give effect to the Business Combination and related transactions. The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses.” Defined terms included below and not otherwise defined herein have the same meaning as terms defined and included elsewhere in the Current Report on Form 8-K (the “Form 8-K”) to which this is an Exhibit. The historical financial information of Vector was derived from the unaudited financial statements of Vector as of and for the six months ended June 30, 2021, and the audited financial statements of Vector as of December 31, 2020 and for the period from July 28, 2020 (inception) through December 31, 2020 included elsewhere in this Form 8-K or in the final proxy statement/prospectus, dated July 21, 2021 (the “Proxy Statement/Prospectus”). The historical financial information of Rocket Lab was derived from the unaudited financial statements of Rocket Lab as of and for the six months ended June 30, 2021, and the audited financial statements of Rocket Lab as of and for the year ended December 31, 2020, included elsewhere in this Form 8-K or in the Proxy Statement/Prospectus. This information should be read together with Vector’s and Rocket Lab’s unaudited and audited financial statements and related notes, the sections titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vector*,” and “*Rocket Lab’s Management’s Discussion and Analysis of Financial Condition and Results of Operations*” in the Proxy Statement/Prospectus, the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” in the Form 10-Q for the quarter ended June 30, 2021 filed by Vector and other financial information included elsewhere in this Form 8-K or in the Proxy Statement/Prospectus.

The Business Combination will be accounted for as a reverse recapitalization in accordance with GAAP, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, Vector will be treated as the “accounting acquiree” and Rocket Lab as the “accounting acquirer” for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination will be treated as the equivalent of Rocket Lab issuing shares for the net assets of Vector, followed by a recapitalization. The consolidated assets, liabilities, and results of operations of Rocket Lab will become the historical financial statements of the surviving corporation, and Vector’s assets, liabilities and results of operations will be consolidated with Rocket Lab beginning on the acquisition date. Accordingly, for accounting purposes, the financials statements of the combined entity will represent a continuation of the financial statements of Rocket Lab, and the net assets of Vector will be stated at historical cost, with no goodwill or other intangible assets recorded. This determination was primarily based on the following:

- Rocket Lab stockholders considered in the aggregate have a majority interest of voting power in the combined entity;
- Members of Rocket Lab’s board of directors comprise five of the six members of the combined company’s board of directors as of the closing of the Business Combination;
- Rocket Lab’s senior management continue to compose the senior management of the combined company;
- The relative size and valuation of Rocket Lab compared to Vector; and
- Rocket Lab’s business comprises the ongoing operations of the combined company.

The unaudited pro forma condensed combined balance sheet of June 30, 2021 combines the unaudited condensed consolidated balance sheet of Rocket Lab as of June 30, 2021 with the unaudited balance sheet of Vector as of June 30, 2021, giving effect to the Business Combination and related transactions, summarized below, as if they had been consummated on that date. The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2021 combines the unaudited condensed statement of operations for Rocket Lab for the six months ended June 30, 2021 with the unaudited statement of operations of Vector for the six months ended June 30, 2021. The unaudited pro forma condensed

combined statement of operations for the year ended December 31, 2020 combines the audited condensed statement of operations for Rocket Lab for the year ended December 31, 2020 with the audited statement of operations of Vector for the period from July 8, 2020 (inception) through December 31, 2020. The unaudited pro forma combined statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020 give effect to the Business Combination and related transactions as if they had occurred on January 1, 2020. Rocket Lab and Vector have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The Business Combination and Related Transactions

On March 1, 2021, Vector Acquisition Corporation, a Cayman Islands exempted company (“**Vector**”), entered into an Agreement and Plan of Merger, as amended by Amendment No. 1 thereto, dated May 7, 2021 and Amendment No. 2 thereto, dated June 25, 2021 (the “**Merger Agreement**”), by and among Vector, Rocket Lab USA, Inc., a Delaware corporation (“**Rocket Lab**”), and Prestige USA Merger Sub, a Delaware corporation and wholly-owned subsidiary of Rocket Lab (“**Merger Sub**”).

In accordance with the terms and subject to the conditions of the Merger Agreement, (A) immediately prior to the Business Combination (i) each of the outstanding shares of common stock and preferred stock of Rocket Lab was converted into a number of shares of Rocket Lab Common Stock equal to the Exchange Ratio, which was determined on the basis of an implied Rocket Lab fully diluted equity value of \$4.00 billion and the Implied Vector Share Price, and (ii) corresponding adjustments were made to all outstanding restricted stock units, warrants, options and other rights to acquire Rocket Lab stock to reflect such conversion, including adjustments to the number of shares and, if applicable, purchase price per share of the shares subject to such restricted stock units, warrants, options and other rights, (B) Vector changed its jurisdiction of organization to Delaware (the “**Domestication**”), (C) following such Domestication Merger Sub merged with and into Vector Delaware and Vector Delaware became a wholly owned subsidiary of Rocket Lab (the “**First Merger**”), and at the effective time of the First Merger, (i) each issued and outstanding share of Vector Delaware common stock was converted into a right to receive, on a one-for-one basis, one share of Rocket Lab Common Stock; (ii) each issued and outstanding Vector Delaware warrant was converted into a right to receive, on a one-for-one basis, one warrant to purchase one share of Rocket Lab Common Stock; and (iii) each then issued and outstanding Vector Delaware unit was converted into a right to receive, on a one-for-one basis, one unit of Rocket Lab, and (D) Rocket Lab merged with and into Vector Delaware, with Vector Delaware surviving the merger (the “**Second Merger**”), and at the effective time of the Second Merger, (i) each outstanding share of Rocket Lab Common Stock was converted into a right to receive, on a one-for-one basis, one share of New Rocket Lab Common Stock, (ii) each restricted stock unit (whether vested or unvested) relating to a share of Rocket Lab Common Stock was converted, on a one-for-one basis, into a restricted stock unit relating to a share of New Rocket Lab Common Stock, (iii) each outstanding option (whether vested or unvested) and warrant to purchase Rocket Lab Common Stock was converted, on a one-for-one basis, into an option or warrant, as applicable, to purchase a share of New Rocket Lab Common Stock at the same per share price and (iv) each other outstanding right to acquire a share of Rocket Lab Common Stock was converted, on a one-for-one basis, into a right to acquire a share of New Rocket Lab Common Stock (the “**Business Combination**”).

Concurrently with the execution of the Merger Agreement, Vector entered into the Subscription Agreements with certain investors (the “**PIPE Investors**”). Pursuant to the Subscription Agreements, the PIPE Investors agreed to subscribe for and purchase, and Vector agreed to issue and sell to such investors, an aggregate of 46,700,000 shares of New Rocket Lab Common Stock for a purchase price of \$10.00 per share, for aggregate gross proceeds of \$467.0 million, on the terms and subject to the conditions set forth in the Subscription Agreements (the “**PIPE Financing**”).

The closing of the PIPE Financing occurred substantially concurrently with the consummation of the Business Combination. Pursuant to the Subscription Agreements, the investors in the PIPE Financing were granted certain customary registration rights.

The unaudited pro forma condensed combined statement of operations and the unaudited pro forma condensed combined balance sheet give effect to the Business Combination and related transactions, summarized below:

- the consummation of the Business Combination and reclassification of cash held in Vector's trust account to cash and cash equivalents, net of redemptions (see below);
- the consummation of the PIPE Financing;
- additional compensation expense associated with the vesting of Rocket Lab's restricted stock units in connection with the Business Combination as a result of the satisfaction of the performance condition becoming probable;
- the payment of deferred offering and transaction costs incurred by both Vector and Rocket Lab; and
- the repurchase of \$40 million Rocket Lab Common Stock from certain members of Rocket Lab management in connection with the Business Combination, resulting in compensation expense.

The terms of the Business Combination also include an earnout provision pursuant to which certain additional contingent consideration in the form of shares of New Rocket Lab Common Stock will be payable to the Rocket Lab Holders if the closing price of New Rocket Lab Common Stock is equal to or greater than \$20.00 for a period of at least 20 trading days out of 30 consecutive trading days during the period commencing on the 90th day following the Closing and ending on the 180th day following the Closing. In evaluating the accounting treatment for the earnout, we have concluded that the earnout is not a liability under ASC 480, *Distinguishing Liabilities from Equity*, is not subject to the accounting guidance under ASC 718, *Compensation—Stock Compensation*, and that the earnout is not subject to derivative accounting under ASC 815, *Derivative and Hedging*. As such, the Company will recognize the earnout in equity at fair value upon the closing of the merger by crediting additional paid-in-capital for the fair value of the earnout and record a corresponding deemed dividend to additional paid-in-capital for a corresponding amount. Because the impact of the earnout has no net impact to equity, the unaudited pro forma condensed combined financial information does not reflect earnout consideration effects.

The unaudited pro forma condensed combined financial information reflects the redemption of 968,617 Vector Class A ordinary shares for an aggregate payment of \$9,686,170, based on a stock price of approximately \$10 per share.

Immediately after giving effect to the Business Combination and the PIPE Financing, the following were outstanding: (i) 447,919,591 shares of New Rocket Lab Common Stock, consisting of (a) 362,188,208 shares of New Rocket Lab Common Stock issued to holders of Rocket Lab common stock immediately prior to the First Effective Time, (b) 31,031,383 shares issued to the holders of Vector's Class A ordinary shares prior to the Domestication, which reflects the redemption of 968,617 Class A ordinary shares with respect to which holders exercised their redemption right, (c) 8,000,000 shares issued to the holders of Vector's Class B ordinary shares prior to the Domestication, and (d) 46,700,000 shares of New Rocket Lab Common Stock issued in the PIPE Financing; (ii) warrants to purchase 16,266,666 shares of New Rocket Lab Common Stock at an exercise price of \$11.50 per share issued upon conversion of the outstanding Vector warrants prior to the Business Combination; (iii) warrants to purchase 891,380 shares of New Rocket Lab Common Stock attributable to Rocket Lab warrants prior to the Business Combination, which had a weighted average exercise price of approximately \$0.29 per share, (iv) options to purchase 17,961,673 shares of New Rocket Lab Common Stock attributable to Rocket Lab options prior to the Business Combination, which had a weighted average exercise price of \$1.04 per share and 14,253,283 of which were vested, (v) 14,903,639 restricted stock units attributable to restricted stock units of Rocket Lab prior to the Business Combination, including 4,065,304 with respect to which the time-based vesting conditions had been satisfied and (vi) an earnout obligation of Rocket Lab prior to the Business Combination pursuant to which New Rocket Lab may be required to issue up to 1,915,356 shares of New Rocket Lab Common Stock. In addition, the Earnout Shares may become issuable in the future as described above.

The unaudited pro forma condensed combined financial information is for illustrative purposes only. The unaudited condensed combined pro forma adjustments reflecting the consummation of the Business Combination and related transactions are based on certain estimates and assumptions. These estimates and assumptions are based on information available as of the dates of these unaudited pro forma condensed combined financial statements and may be revised as additional information becomes available. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments, and it is possible the difference may be material. You should not rely on the unaudited pro forma condensed combined financial information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined entity will experience.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
(in thousands, except share and per share data)

	As of June 30, 2021				As of June 30, 2021
	Rocket Lab USA, Inc. (Historical)	Vector Acquisition Corporation (Historical)	Transaction Accounting Adjustments		Pro Forma Combined
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	107,931	45	320,015	3A	797,882
			(9,686)	3B	
			467,000	3D	
			(47,423)	3G	
			(40,000)	3J	
Accounts receivable, net	22,355				22,355
Contract assets	843				843
Inventories	31,516				31,516
Prepays and other current assets	4,925	284			5,209
Total current assets	167,570	329			857,805
NON-CURRENT ASSETS:					
Property, plant and equipment, net	51,220				51,220
Intangible assets, net	10,689				10,689
Goodwill	3,277				3,277
Right-of-use assets - operating leases	25,712				25,712
Restricted cash	1,110				1,110
Deferred tax assets	2,935				2,935
Deferred transaction costs	3,395		(3,395)	3G	—
Investment held in Trust Account		320,015	(320,015)	3A	—
TOTAL ASSETS	265,908	320,344			952,748
LIABILITIES AND EQUITY					
CURRENT LIABILITIES:					
Trade payables	3,620				3,620
Accrued expenses	5,026	2,390	(1,096)	3G	6,320
Employee benefits payable	5,238				5,238
Contract liabilities	31,138				31,138
Other current liabilities	6,832				6,832
Total current liabilities	51,854	2,390			53,148
NON-CURRENT LIABILITIES:					
Long-term borrowings, excluding current instalments	98,827				98,827
Non-current lease liabilities	25,916				25,916
Other non-current liabilities	9,381	11,200	(11,200)	3G	4
			(9,377)	3I	
Warrant liabilities		46,116			46,116
Total liabilities	185,978	59,706			224,011
Redeemable Convertible Series A Preferred stock, \$0.0001 par value; 6,898,281 shares authorized, issued and outstanding as of June 30, 2021	5,500		(5,500)	3E	—
Redeemable Convertible Series B Preferred stock, \$0.0001 par value; 11,987,187 shares authorized, 11,953,413 shares issued and outstanding as of June 30, 2021	21,503		(21,503)	3E	—
Redeemable Convertible Series C Preferred stock, \$0.0001 par value; 4,900,204 shares authorized, 4,887,114 shares issued and outstanding as of June 30, 2021	16,471		(16,471)	3E	—
Redeemable Convertible Series D Preferred stock, \$0.0001 par value; 2,650,450 shares authorized, 2,573,252 issued and outstanding as of June 30, 2021	73,364		(73,364)	3E	—
Redeemable Convertible Series E Preferred stock, \$0.0001 par value; 4,368,313 shares authorized, issued and outstanding as of June 30, 2021	137,622		(137,622)	3E	—
Redeemable Convertible Series E-1 Preferred stock, \$0.0001 par value; 650,140 shares authorized, issued and outstanding as of June 30, 2021	20,500		(20,500)	3E	—
Class A ordinary shares subject to possible redemption, 32,000,000 shares at June 30, 2021 (at \$10.00 per share)		320,000	(9,686)	3B	—
			(310,314)	3C	
STOCKHOLDERS' EQUITY:					
Common stock, \$0.0001 par value; 46,000,000 shares authorized; 8,740,022 shares issued and outstanding as of June 30, 2021	—		27	3E	28
			1	3F	
Class B ordinary shares, \$0.0001 par value; 50,000,000 shares authorized; 8,000,000 shares issued and outstanding at June 30, 2021		1	(1)	3F	—
Additional paid-in-capital	23,079	—	310,314	3C	971,888
			467,000	3D	
			274,933	3E	
			(59,363)	3F	
			(37,933)	3G	
			14,900	3H	
			9,377	3I	
			(30,359)	3J	

Accumulated deficit	(220,238)	(59,363)	59,363	3F	(245,308)
			(529)	3G	
			(14,900)	3H	
			(9,641)	3J	
Accumulated other comprehensive loss	2,129				2,129
Total stockholders' equity	<u>(195,030)</u>	<u>(59,362)</u>			<u>728,737</u>
TOTAL LIABILITIES AND MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY	<u>265,908</u>	<u>320,344</u>			<u>952,748</u>

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
(in thousands, except share and per share data)

	Six Months Ended June 30, 2021 Rocket Lab USA, Inc. (Historical)	Six Months Ended June 30, 2021 Vector Acquisition Corporation (Historical)	Transaction Accounting Adjustments		Six Months Ended June 30, 2021 Pro Forma Combined
REVENUES	\$ 29,472				\$ 29,472
COST OF GOODS SOLD	25,598	—	2,544	3DD	28,142
GROSS PROFIT	3,874	—	(2,544)		1,330
OPERATING EXPENSES:					
Research and development	15,607		1,814	3DD	17,421
Selling, general and administrative	13,692		1,936	3DD	15,628
Formation and operating costs		3,076			3,076
Total operating expenses	29,299	3,076	3,750		36,125
OPERATING LOSS	(25,425)	(3,076)	(6,294)		(34,795)
OTHER INCOME (EXPENSE):					
Interest income (expense), net	(402)	10	(10)	3AA	(402)
Loss on foreign exchange	(405)				(405)
Other expense, net	(5,611)	(21,553)	5,126	3CC	(22,038)
Total other income (expense), net	(6,418)	(21,543)	5,116		(22,845)
LOSS BEFORE INCOME TAXES	(31,843)	(24,619)	(1,178)		(57,640)
PROVISION FOR INCOME TAXES	(704)		—	3BB	(704)
NET LOSS	\$ (32,547)	\$ (24,619)	\$ (1,178)		\$ (58,344)
Net loss per share attributable to Rocket Lab common stockholders - basic and diluted	\$ (3.74)	\$ —			\$ (0.13)
Weighted average shares of Rocket Lab common stock outstanding - basic and diluted	8,708,271				448,476,558
Net loss per share attributable to VACQ Class A ordinary shareholders	\$ —	\$ —			\$ —
Weighted average shares of VACQ Class A ordinary shares outstanding - basic and diluted	—	32,000,000			—
Net loss per share attributable to VACQ Class B ordinary shareholders	\$ —	\$ (3.08)			\$ —
Weighted average shares of VACQ Class B ordinary shares outstanding - basic and diluted	—	8,000,000			—

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
(in thousands, except share and per share data)

	Year Ended December 31, 2020	Period From July 28, 2020 (Inception) Through December 31, 2020		Year Ended December 31, 2020
	Rocket Lab USA, Inc. (Historical)	Vector Acquisition Corporation (Historical) (As Restated)	Transaction Accounting Adjustments	Pro Forma Combined
REVENUES	\$ 35,160	\$ —	\$ —	\$ 35,160
COST OF GOODS SOLD	46,977	—	3,813	50,790
GROSS PROFIT	(11,817)	—	(3,813)	(15,630)
OPERATING EXPENSES:				
Research and development	19,142	—	2,063	21,205
Selling, general and administrative	23,993	—	529	36,893
			2,730	3II
			9,641	3JJ
Operating and formation costs	—	358		358
Total operating expenses	43,135	358	14,963	58,456
OPERATING LOSS	(54,952)	(358)	(18,776)	(74,086)
OTHER INCOME (EXPENSE):				
Interest income, net	224	5	(5)	224
Gain on foreign exchange	2,420	—		2,420
Other income (expense), net	(2,230)	(11,989)	2,417	(11,802)
Total Other income (expense), net	414	(11,984)	2,412	(9,158)
LOSS BEFORE INCOME TAXES	(54,538)	(12,342)	(16,364)	(83,244)
PROVISION FOR INCOME TAXES	(467)	—	—	(467)
NET LOSS	\$ (55,005)	\$ (12,342)	\$ (16,364)	\$ (83,711)
Net loss per share attributable to Rocket Lab common stockholders - basic and diluted	\$ (6.61)	\$ —		\$ (0.19)
Weighted average shares of Rocket Lab common stock outstanding - basic and diluted	8,324,252	—		440,607,388
Net loss per share attributable to VACQ Class A ordinary shareholders	\$ —	\$ —		\$ —
Weighted average shares of VACQ Class A ordinary shares outstanding - basic and diluted	—	31,553,191		—
Net loss per share attributable to VACQ Class B ordinary shareholders	\$ —	\$ (1.60)		\$ —
Weighted average shares of VACQ Class B ordinary shares outstanding - basic and diluted	—	7,732,484		—

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(in thousands, except share and per share data)

NOTE 1 — BASIS OF PRESENTATION

The Business Combination will be accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, Vector Acquisition Corporation (“**Vector**”) will be treated as the “accounting acquiree” and Rocket Lab as the “accounting acquirer” for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination will be treated as the equivalent of Rocket Lab issuing shares for the net assets of Vector, followed by a recapitalization. The net assets of Vector will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of Rocket Lab.

The unaudited pro forma condensed combined balance sheet as of June 30, 2021 assumes that the Business Combination and related transactions occurred on June 30, 2021. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020 give pro forma effect to the Business Combination as if it had been completed on January 1, 2020. These periods are presented on the basis that Rocket Lab is the acquirer for accounting purposes.

The unaudited pro forma condensed combined financial information reflects the redemption of 968,617 Vector Class A ordinary shares for an aggregate payment of \$9,686,170, based on a stock price of approximately \$10 per share.

The level of redemptions reflected in the unaudited pro forma condensed combined balance sheet and statement of operations does not reflect adjustments for the outstanding public or private placement warrants issued by Vector as such securities are not exercisable until 30 days after the closing of the Business Combination.

The pro forma adjustments reflecting the consummation of the Business Combination and related transactions are based on certain currently available information and certain assumptions and methodologies that are believed to be reasonable under the circumstances. The unaudited condensed pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the difference may be material. We believe that the assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Business Combination and related transactions based on information available to management at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings or cost savings that may be associated with the Business Combination.

The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination and related transactions taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the post-combination company. They should be read in conjunction with the historical financial statements and notes thereto of Vector and Rocket Lab.

NOTE 2 — ACCOUNTING POLICIES AND RECLASSIFICATIONS

In connection with the Business Combination, management will perform a comprehensive review of the two entities’ accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of the post-combination company. Based on its initial analysis, management did not identify any differences that would have a material impact on the unaudited pro forma condensed combined financial information. As a result, the unaudited pro forma condensed combined financial information does not assume any differences in accounting policies.

As part of the preparation of these unaudited pro forma condensed combined financial statements, certain reclassifications were made to align Vector’s financial statement presentation with that of Rocket Lab.

NOTE 3 — ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the Business Combination and related transactions and has been prepared for informational purposes only.

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X to depict the accounting for the transaction (“**Transaction Accounting Adjustments**”) and present other

transaction effects that have occurred or are reasonably expected to occur (“**Management’s Adjustments**”). The Company has elected not to present Management’s Adjustments and will only be presenting Transaction Accounting Adjustments in the unaudited pro forma condensed combined financial information. Rocket Lab and Vector have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The pro forma combined provision for income taxes does not necessarily reflect the amounts that would have resulted had the post-combination company filed consolidated income tax returns during the periods presented.

The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statements of operations are based upon the number of Rocket Lab’s shares outstanding, assuming the Business Combination and related transactions occurred on January 1, 2020.

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

The adjustments included in the unaudited pro forma condensed combined balance sheet as of June 30, 2021 are as follows:

- (A) Reflects the reclassification of \$320 million held in Vector’s trust account to cash and cash equivalents.
- (B) Reflects the reduction in cash and Vector’s Class A ordinary shares subject to possible redemption in the amount of \$9.7 million related to the redemption of the shares.
- (C) Reflects the reclassification of Vector’s remaining Class A ordinary shares subject to possible redemption into permanent equity.
- (D) Reflects cash proceeds from the concurrent PIPE Financing in the amount of \$467 million and corresponding offset to additional paid-in-capital.
- (E) Reflects the conversion of the Rocket Lab preferred stock into Rocket Lab Common Stock in accordance with the Merger Agreement.
- (F) Reflects the reclassification of Vector’s historical accumulated deficit to additional paid-in capital and the elimination of Vector’s par value of ordinary shares upon consummation of the Business Combination.
- (G) Reflects an adjustment of \$47.4 million to reduce cash for estimated unpaid transaction costs expected to be incurred by Vector and Rocket Lab in relation to the Business Combination and PIPE Financing, including advisory, banking, printing, legal and accounting services, which includes the \$11.2 million deferred underwriting fee payable by Vector upon completion of the Business Combination and the \$1.1 million unpaid portion of Rocket Lab’s deferred transaction costs which total \$3.4 million as of June 30, 2021. Approximately \$0.5 million is expected to be expensed as part of the Business Combination and recorded in accumulated deficit, and the remaining \$46.9 million was determined to be equity issuance costs and offset to additional paid-in capital.
- (H) Reflects the recognition of \$14.9 million of incremental stock-based compensation expense associated with the performance-based restricted stock units issued by Rocket Lab in 2019 through 2021, which contain both a time-based service vesting condition (generally satisfied over a period of 4 years as the employees provide service) and a performance-based vesting condition (expected to be satisfied following the completion of the Business Combination), both of which must be satisfied before the restricted stock units will be deemed vested. No expense was recognized in the historical results as the satisfaction of the performance-based vesting condition was not considered probable.
- (I) Reflects the conversion of Rocket Lab preferred stock warrants to warrants to purchase New Rocket Lab Common Stock, resulting in a reclassification from liability to additional paid-in-capital.
- (J) Reflects the repurchase of \$40 million of Rocket Lab Common Stock and options to purchase Rocket Lab Common Stock from certain members of Rocket Lab management in connection with the Business Combination. Of the total repurchase amount of \$40 million, \$10 million was used to purchase shares and options earned by employees through share-based compensation and will result in incremental compensation expense of \$9.6 million.

Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

The pro forma adjustments included in the unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2021 are as follows:

- (AA) Elimination of interest income and unrealized gain on the trust account.
- (BB) The net effect of all adjustments impacting the pro forma statement of operations results in an income tax benefit of approximately \$0.3 million based on the application of a blended statutory tax rate of 25%. However, an income tax benefit has not been reflected because of negative evidence in the form of cumulative losses, resulting in a full valuation allowance being applied to reduce the pro forma income tax benefits.

- (CC) Reflects the elimination of the \$5.1 million of expense associated with the remeasurement of the Rocket Lab preferred stock warrants to fair value during the six months ended June 30, 2021, as the warrants have become equity-classified warrants to purchase common stock upon consummation of the Business Combination and will not require remeasurement.
- (DD) Reflects the recognition of \$6.3 million stock-based compensation expense associated with the performance-based restricted stock units issued by Rocket Lab in 2019 through 2021, which contain both a time-based service vesting condition (generally satisfied over a period of 4 years as the employees provide service) and a performance-based vesting condition (expected to be satisfied following the completion of the Business Combination), both of which must be satisfied before the restricted stock units will be deemed vested. No expense was recognized in the historical results as the satisfaction of the performance-based vesting condition was not considered probable.

The pro forma adjustments included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2020 are as follows:

- (EE) Elimination of interest income and unrealized gain on the trust account.
- (FF) Reflects the estimated transaction costs to be expensed of \$0.5 million as if incurred on January 1, 2020, the date the Business Combination occurred for the purposes of the unaudited pro forma condensed combined statements of operations. This is a non-recurring item.
- (GG) The net effect of all adjustments impacting the pro forma statement of operations results in an income tax benefit of approximately \$4.1 million based on the application of a blended statutory tax rate of 25%. However, an income tax benefit has not been reflected because of negative evidence in the form of cumulative losses, resulting in a full valuation allowance being applied to reduce the pro forma income tax benefits.
- (HH) Reflects the elimination of the \$2.4 million of expense associated with the remeasurement of the Rocket Lab preferred stock warrants to fair value during the year ended December 31, 2020, as the warrants have become equity-classified warrants to purchase common stock upon consummation of the Business Combination and will not require remeasurement.
- (II) Reflects the recognition of \$8.6 million stock-based compensation expense associated with the performance-based restricted stock units issued by Rocket Lab in 2019 and 2020, which contain both a time-based service vesting condition (generally satisfied over a period of 4 years as the employees provide service) and a performance-based vesting condition (expected to be satisfied following the completion of the Business Combination), both of which must be satisfied before the restricted stock units will be deemed vested. No expense was recognized in the historical results as the satisfaction of the performance-based vesting condition was not considered probable.
- (JJ) Reflects the recognition of \$9.6 million stock-based compensation expense associated with the repurchase of Rocket Lab Common Stock and options to purchase Rocket Lab Common Stock from certain members of management in connection with the Business Combination. The common stock and options that were repurchased were obtained through share-based compensation arrangements.

NOTE 4 — EARNINGS PER SHARE

Represents the net earnings per share calculated using the historical weighted average Rocket Lab outstanding shares and the issuance of additional shares in connection with the Business Combination and PIPE Financing, assuming the shares were outstanding since January 1, 2020. As the Business Combination and PIPE Financing are being reflected as if they had occurred at the beginning of the first period presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Business Combination and PIPE Financing have been outstanding for the entire periods presented.

Six months ended June 30, 2021

<u>Numerator</u>	
Net loss (in thousands)	\$ (58,344)
<u>Denominator</u>	
Former holders of Rocket Lab common and preferred stock (1)	362,745,175
Founder shares	8,000,000
VACQ public stockholders (2)	31,031,383
Third party investors in PIPE investment	46,700,000
Total shares of Rocket Lab common stock outstanding at closing of the Transaction	448,476,558
<u>Net loss per share</u>	
Basic and diluted	\$ (0.13)

Year ended December 31, 2020

<u>Numerator</u>	
Net loss (in thousands)	\$ (83,711)
<u>Denominator</u>	
Former holders of Rocket Lab common and preferred stock (1)	354,876,005
Founder shares	8,000,000
VACQ public stockholders (2)	31,031,383
Third party investors in PIPE investment	46,700,000
Total shares of Rocket Lab common stock outstanding at closing of the Transaction	440,607,388
<u>Net loss per share</u>	
Basic and diluted	\$ (0.19)

- (1) Reflects the repurchase by Rocket Lab of 3.5 million shares of Rocket Lab Common Stock and 0.6 million options to purchase Rocket Lab Common Stock held by certain members of management for \$40.0 million, based on a Rocket Lab Common Stock value of \$10 per share.
- (2) This presentation reflects the redemption of 968,617 Vector Class A ordinary shares for an aggregate redemption payment of \$9.7 million.