



PURCHASE ORDER TERMS AND CONDITIONS

1. Offer to Purchase: Spider Company, Inc. (“Buyer”) offers to purchase the goods and services (“Goods”) described in this Purchase Order and in any drawings, specifications, models or samples supplied by Buyer or Seller (“Order”) from the addressee of the Order (“Seller”), only on the following terms and conditions.
2. Acceptance of Terms and Conditions as Entire Agreement: Seller may accept this Order only by use of an acknowledgement, either in the form of the acknowledgement portion of this form or the acknowledgement form of seller or by delivery of any of the Goods. However, in any event, except as otherwise expressly herein provided, this Order shall constitute the entire agreement between Buyer and Seller. Additional or different terms already or hereafter proposed by Seller, whether in a quotation, acknowledgement, invoice or otherwise, are rejected and shall not apply, notwithstanding any contrary language in any such writing that acceptance or use of, or payment for, the Goods by Buyer, or any other act or failure to act by Buyer constitutes acceptance of different or additional terms. No change, modifications of or revision to the terms of this Order shall be binding unless agreed to in a writing signed by Buyer.
3. Packaging and Shipping: All Goods shall be prepared and packaged for shipment so as to prevent damage, contamination, or deterioration. All packages shall be clearly marked with Buyer’s purchase order number, appropriate description of the Goods and the part number and quantity of items contained within each package. No additional charges of any kind, including charges for boxing, packaging, cartage or other extras shall be imposed. Delivery in whole or in part may not be made prior to the established delivery date unless agreed to in advance in writing by Buyer. All shipment shall be F.O.B. destination, unless otherwise specified on the face of this Order. Each delivery must be accompanied by a bill of lading or other shipping documents. All Goods shipped contrary to instructions will be returned or held subject to Seller’s instructions at Seller’s risk and expense.
4. Quantity: The specific quantity of Goods ordered by Buyer must be delivered in full and may be changed only with Buyer’s prior written consent. No substitutions may be made without Buyer’s prior written consent. Any unauthorized quantity shipped to Buyer is subject to rejection by Buyer and will be returned to Seller at Seller’s expense.
5. Quality. Seller shall, in performance of this Purchase Order, maintain a Quality System that meets the following requirements:
 - a. The standards of ISO 9001, AS9100, NADCAP, Quality Management Systems Aerospace Requirements or equivalent or be approved by Buyer.
 - b. Aerospace Suppliers Only: In accordance with any quality standards established and communicated by Buyer or as provided in the specifications of the Purchase Order.
 - c. Aerospace Suppliers Only: Provides records that indicate dates of inspection, inspector name or number, characteristics inspected and whether the characteristics were acceptable or nonconforming.



- d. Aerospace Suppliers Only: Maintains and documents a program to ensure tools, instruments and other measuring and testing devices are calibrated to the NIST standard and adjusted to maintain accuracy in accordance with ISO 10012-1 or equivalent.
- e. Aerospace Suppliers Only: Maintains Quality and Inspection records for a minimum period of forty (40) years, unless otherwise provided in the Purchase Order.
- f. Aerospace Suppliers Only: Maintains evidence for a minimum of forty (40) years, that the purchased items or services conform with the Purchase Order requirements.

Buyer reserves the right to audit or review the Seller's Quality System or records.

- 6. Inspection and Acceptance: All Goods shall be received subject to Buyer's right of inspection and rejection. Defective Goods not in accordance with any requirement invoked by this purchase order may be cause for rejection of the material and/or processing of material included in the Purchase Order. Defective Goods will be held for Seller's instruction at Seller's risk, and if Seller so directs, will be returned at Seller's risk and expense, including transportation charges both ways. No defective goods shall be replaced without a return materials authorization (RMA) signed by Buyer. If inspection disclosed that part of the Goods received were not in accordance with Buyer's specifications, Buyer shall have the right to cancel any unshipped portion of this Order. Corrective action measures for product and system issues may be requested of the Seller. Failure to respond in a timely or effective manner may result in removal of the Seller from Buyer's approved supplier list. Payment for Goods on this Order prior to inspection shall not constitute acceptance thereof and shall be without prejudice to any and all claims that Buyer may have against Seller. Buyer shall have the right of access to Sellers facility to evaluate and inspect product on this order. Goods will be subject to receiving inspection. Latent defects not discovered during source inspection or receiving inspection, but disclosed during assembly or use shall be cause for rejection.
- 7. Prices and Payment: a) All prices for Items purchased hereunder are firm and shall not be subject to change. Unless otherwise provided on the face of the Order, THE PRICES APPEARING HEREIN INCLUDE ALL PACKAGING, CRATING, DUTIES, TARIFFS, FEDERAL, STATE, LOCAL, SALES and USE TAXES, IF APPLICABLE, AND ARE FIRM FOR THE DELIVERY PERIOD SHOWN. b) Seller warrants that none of the Items furnished under the Order are used, remanufactured or reconditioned or of such age or so deteriorated as to impair the usefulness or safety thereof, unless otherwise specifically stated on the face of the Order and agreed to in writing by Buyer. c) Unless otherwise stated on the face of the Purchase Order or as otherwise provided in writing by Buyer, payment terms are net sixty (60) days from the Invoice Date. The Invoice Date shall be the date of receipt of the Goods by Buyer or the date of the invoice, whichever is later. COD shipments will not be accepted. Payment of Seller's invoice(s) is subject to adjustment for shortage or defective Goods.
- 8. Property Furnished by Buyer: All tooling, dies, jigs, molds, patterns, materials and parts and all drawings, specifications, designs and other technical information ("Property") furnished or paid for by Buyer shall be identified as belonging to Buyer, maintained in good condition and repair by Seller and fully insured by Seller at Seller's expense. Upon Buyer's request, Seller will



furnish a certificate of insurance covering such Property and naming Buyer as and additional insured with respect thereto. The Property shall be used exclusively for the purpose of fulfilling this Order, shall be held in strict confidence by Seller and not used by or for or disclosed to others and shall be returned to Buyer upon demand, notwithstanding any lien, setoff or other claim of any nature which Seller may have or maintain against the Property or against Buyer.

9. Warranties: Seller expressly warrants that all Goods furnished hereunder will be in exact conformity with this Order and with any other description, specification, drawing or sample supplied by Seller or Buyer, shall be free from defects in material and/or workmanship, shall be free of any and all liens and encumbrances and shall in addition to all other warranties and representations of Seller, be merchantable and fit for the purpose, if any, indicated by Buyer to Seller. Such warranty shall survive delivery and shall not be deemed waived by reason of Buyer's acceptance of said Goods or by payment for them.
10. Compliance with Laws: In the performance of this Order, Seller agrees to comply with all applicable federal, state and local laws, regulations, orders and ordinances now or hereafter in effect and warrants that all goods described in this Order, and their use, will comply with all such laws, regulations, orders and ordinances.
11. Warrant Against Patent Infringement: Seller warrants that the sale and/or use of the Good furnished hereunder will not infringe upon any U.S. or foreign patent and agrees to defend every suit which shall be brought against Buyer or anyone selling or using any of said Goods for an alleged infringement of any such patent by reason of the sale or use of such Goods, and to indemnify and hold Buyer harmless from all claims, fees and expenses which shall be incurred in defending any such suit, together with all costs, damages and profits recoverable therein; and Buyer and all parties sued shall have the right to employ, at Seller's expense, counsel on their own behalf and shall have the right to participate in the defense of such suits. In the event any claim of patent infringement is made, Buyer shall have the right to cancel delivery of any Goods to which the claim relates and to return to Seller for full credit or refund any such Goods previously delivered.
12. Indemnification: Seller agrees to indemnify and save harmless Buyer from and against all losses, liabilities, judgments, settlements, expenses including, without limitation, attorney's fees or claims based on injuries or damages to any person or property arising out of or in any way related to (a) the breach of any obligation or warranty hereunder, or (b) the delivery, condition, use or operation of the Goods, whether such Goods are in the same mode as when delivered hereunder or whether they have been used in the manufacture of, and become part of, equipment, machinery or goods sold by Buyer to third parties, and Seller agrees to and shall assume on behalf of Buyer, upon its demand (without regard to the real or apparent merits of said action), the defense of any court or agency actions which may be brought against Buyer.
13. Miscellaneous: The interpretations, validity and enforcement of this Order shall be governed by the internal laws of the State of Illinois. This Order shall be binding upon inure to the benefit of the successors and assigns of Buyer and Seller but shall not be assignable by Seller



without the prior written consent of Buyer. No remedy provided herein shall be exclusive of any other remedy provided hereunder or under any applicable law, regulation, rule, order or ordinance. The invalidity of unenforceability of any of the provisions of this Order shall not affect the validity or enforceability of the other terms of this Order.

14. **NON-CONFORMING PRODUCT:** Seller shall notify Buyer of any non-conformance product immediately. Seller must obtain Buyer's disposition and/or approval of any non-conforming product prior to shipment. Seller must communicate any deviation through email. Buyer will approve or refuse the non-conformance. Documentation of any nonconformance must accompany shipment. Post-shipping discovery of any changes or deviations that affect testing, inspection and/or calibration results must be reported within 48 hours, including previously unknown deviations from those previously submitted to Buyer.
15. **PROCESSING CHANGES:** Seller shall notify Buyer of major changes in product and/or process and changes of manufacturing equipment, facility location change, or sub-tier changes. Seller shall obtain Buyer's prior written approval for said changes. Seller shall work with Buyer to accommodate Seller's written change notice request. If Seller does not provide a change request and/or the buyer does not approve/ complete the written change request, Buyer shall have the option of cancelling this Purchase Order and shall have the option to not pay for those Goods completed or in process.
16. **DELIVERY:** Time is of the essence and Seller shall deliver the product within the time, in the quantities, and at the prices specified on the Purchase Order. If Seller fails to comply with such requirements, Buyer may, in addition to any other rights or remedies, cancel this order and be relieved of all liability for any undelivered portion. Seller shall promptly notify Buyer, in writing, of any anticipated or actual delay, the reasons for the delay and the actions being taken by Seller to minimize the delay. Such notifications shall in no way relieve the Seller of its obligations under this order. Seller shall not unreasonably anticipate delivery by purchasing materials or manufacturing quantities in excess of what is reasonably required to meet Buyer's delivery schedule. Products received in advance of Buyer's delivery schedule may, at Buyer's option, be returned at Seller's expense or be accepted and payment withheld until the scheduled delivery. Buyer will not be bound to pay for any Goods delivered in excess of the quantities ordered. In no event may Buyer be required to stand by or to accept postponed of partial performance unless Buyer has expressly agreed to do so in a writing signed by Buyer.
17. **RIGHT OF ENTRY:** Buyer and its customers and regulatory authorities shall have right of access to Seller's facility involved in this specific order, including all applicable records for review at a time mutually convenient for both parties as required under AS9100/ISO-9001 standards.
18. **FLOW DOWN REQUIREMENTS:** Any seller that is an OEM approved Supplier shall ensure that all manufacturing and/or special processing meets industry recognized standards or an OEM specification is carried out by only qualified personnel. Additionally, seller must have systems in place to prevent the use of counterfeit parts. Furthermore, seller must communicate to its employees regarding employee's contribution to product safety and the importance of ethical behavior.