

Moog Unna GmbH (Date of issue 29 November 2010)

1. General conditions

- 1.1 These terms and conditions of purchase apply exclusively. General business terms and conditions of the supplier conflicting with or deviating from our terms and conditions of purchase are only recognized insofar as Moog expressly agrees to them in writing. These terms and conditions of purchase apply even if Moog, aware of the fact that the contractor's conditions conflict with or deviate from these terms and conditions of purchase, agrees to make delivery or delivery has been paid for. This applies correspondingly to any additionally agreed special purchase conditions.
- 1.2 As part of regular business relationships these terms and conditions of purchase apply also to future business transactions with the contractor, provided these future business transactions are similar.
- 1.3 Purchase orders, orders on call, and calls on suppliers as well as their modifications and amendments must be in writing. Verbal agreements of any kind, including subsequent modifications and amendments of these terms and conditions of purchase require confirmation in writing by Moog in order to be valid. This requirement will also be considered valid when confirmation is by e-mail or a fax message.
- 1.4 Moog only accepts a simplified reservation of title by the contractor.
- 1.5 Business correspondence is in German unless otherwise agreed.

2. Purchase order, order confirmation

- 2.1 Moog is entitled to revoke a purchase order without being charged with the related cost if the contractor has failed to confirm the purchase order, at least in writing or in text form, within two weeks after its receipt, unless the deliveries / services concerned have already been rendered.
- 2.2 Purchase orders and calls on suppliers from Moog are only binding if made in writing or text form. This also applies to modifications and amendments. The input and output data on the Moog server as well as transmission reports of Moog fax machines evidencing a failure-free transmission are acceptable as proof of receipt. The burden of proof must be borne by the party which dissents to the content of stored data or transmission reports or which makes an assertion which is not consistent with such content.
- 2.3 Moog reserves property rights and copyright on tools, forms, patterns, models, profiles, drawings, standard sheets, templates and gauges (the "objects") . Without the written consent of Moog the objects, as well anything produced using the objects must not be passed on to third parties nor be used for purposes other than the contractual ones. All objects must be secured against improper use. Without restraint of other rights, Moog can demand the return of any objects.
- 2.4 The assignment of rights and duties arising from the purchase contract between Moog and the contractor to subcontractors or any other third parties, or the intention to do so is only permitted upon the previous written consent of Moog. All information must be given in writing and addressed to the member of staff whose name is indicated on the Moog purchase order within 5 working days after receipt of the order. Paragraph 354 remains unaffected.
- 2.5 If the business transaction between Moog and the contractor refers to the delivery of goods which are produced according to Moog's technical specifications, such as drawings prepared by Moog, the contractor shall carry out all production steps in his company using his/her own machinery which are critical for dimensions, tolerances and quality features usual in the line of business. For information to be given see item 2.4.

3. Calls on suppliers

- 3.1 In addition to the conventional processing of purchase orders, Moog handles orders by calling on suppliers. Calls on suppliers ensure swift and efficient responses to material requirements. Calls on suppliers are normally used in connection with a framework agreement with repeated purchase. The contractor undertakes to have available the capacity to produce the item to be delivered. During the course of the relationship with the supplier, the contractor complies with the calls received in accordance with the framework agreement. Termination of the delivery relationship depends on the validity period of the framework agreement.
- 3.2 Calls on suppliers are updated by Moog at regular intervals, and the supplier is informed accordingly. The calls contain binding order quantities, variable forecasts and delivery dates for a defined time frame. Variable forecasts serve as input for the contractor's production planning. Fixed quantities and dates are binding. Unless otherwise provided for, delivery is due not later than 1.00 p.m. on Friday of the calendar week specified on the purchase order.

- 3.3. Calls on suppliers are transmitted by e-mail, fax or post and are binding without the signature of a person at Moog. Purchase orders and calls on suppliers must be confirmed in writing. If the required order quantity or the delivery date cannot be met, the contractor shall inform Moog in writing within 5 working days.

4. Invoices

- 4.1 Invoices must show the price, as well as the Moog order, item and position number; the time of the delivery or service; the quantity and the commercial name of the items supplied or the extent or kind of services rendered. Furthermore, the invoices must show the obligatory data determined by IHK (Chamber of Commerce and Industry) Frankfurt, such as the complete name and address of the providing company and the recipient company, tax number or VAT ID of the providing company, time of delivery or service, remuneration broken down by tax rates or tax exemptions (net value exclusive of VAT), any reduction in the remuneration agreed in advance insofar as it is not already included in the remuneration, sales tax as well as the amount of tax applicable to the remuneration or information on tax exemption.

Copies of invoices shall be identified as duplicates.

5. Pricing and payment

- 5.1 The price specified in the purchase order is binding. Unless otherwise provided for in writing, the price includes packaging.
- 5.2 Submission of quotations by the contractors is free of charge. Estimates are binding and not payable save as otherwise agreed upon.
- 5.3 Unless otherwise provided for, payments are made within 14 days less 3% cash discount or within 30 days net. The payment term begins once a delivery has been made in full or Moog has received the invoice duly completed. Payment is made subject to the invoice being reviewed by Moog. Invoices must include the data listed in item 4.1 above to be considered as complete.
- 5.4 Deduction of a cash discount is also permitted if Moog sets off or retains payments at an appropriate amount due to defects; in this case the term of payment begins after complete elimination of the defect.

6. Delivery and shipping

- 6.1 Unless otherwise provided for in writing, delivery is made DDP including packaging. The supplier must write the following information in plain text and as barcode 128 B on all shipping documents and delivery notes: Moog PO number, Moog item number, delivery note number, quantity supplied, serial number of the product.
- 6.2 Delivery periods and dates are binding. Timeliness of deliveries is defined as the receipt at the receiving place stated by Moog on the purchase order. Timeliness of deliveries including set-up or erection or other services is defined as the time they are approved by Moog.
- 6.3 The contractor is obliged to notify Moog immediately in writing or in text form of any circumstances which may lead to the inability to keep the delivery date, stating the reason and the expected duration of the delay. The notification shall be addressed to the member of staff whose name is indicated on the Moog purchase order. Apart from that, Moog reserves all contractual and legal rights.
- 6.4 In the case of any delay in delivery, Moog is entitled to request a lump sum payment for any damages caused by or relating to the delay in the amount of 5% of the order value of the goods or the price of the partial delivery or service affected by the delay for each complete week of delay, however not more than 5%. Any additional legal claims (withdrawal from the contract and claims for compensation instead of the delivery / service) are reserved. The contractor is entitled to provide proof to Moog that no damage at all or damage considerably less than indicated has occurred. Any claims for compensation resulting from further damage caused by delay remains unaffected by the acceptance of a late delivery.
- 6.5 Incoming goods are received only from Monday to Friday between 6.00 a.m. and 3.00 p.m.

7. Packaging

- 7.1 The delivery item must be packaged properly and in line with commercial practice. Packaging must comply with all technical and legal provisions.
- 7.2 Unless otherwise provided for, recyclable materials must be used for stuffing and packaging. If this is not the case, Moog is entitled to return these materials to the contractor with the cost being borne by the contractor.
- 7.3 If the packaging ordinance includes an obligation to take packaging back, the cost of return and utilization must be borne by the contractor.

8. Provisions under export right

If the ordered goods are subject to limitations in terms of export right, or if the export by Moog may require an export licence, Moog shall be immediately notified in text form. This notification is essential if the goods to be supplied to Moog are, due to their type and nature, subject to export control. The notification shall be addressed to the member of staff whose name is indicated on the Moog purchase order. If the contractor fails to meet this obligation, Moog reserves the right to withdraw from the contract.

9. Certificate of origin and supplier's declaration

Upon request, the contractor shall present a certificate of origin for the goods free of charge. The type and quantity of the goods shall be described and their origin shall be certified by competent bodies vested with rights conferred by official authorities in the country of origin. Upon request, a supplier's declaration in accordance with ordinance (EC) no. 1207/2001 d dated 11 January 2001 shall be drawn up. The customs tariff number in line with foreign trade statistics shall be indicated.

10. Hazardous substances

10.1 If the goods supplied by the contractor contain hazardous substances according to GefStoffV (German Hazardous Substances Ordinance), Moog shall be notified immediately. The notification shall be addressed to the member of staff whose name is indicated on the Moog purchase order.

10.2 The contractor undertakes to provide before delivery an EC Safety Data Sheet in line with ordinance (EC) no. 1907 / 2006 (REACH) without this being specifically requested. The legal specifications in their currently applicable form, in particular the REACH law, shall be observed.

11. Force Majeure

Force Majeure, industrial disputes, riots, official measures and other unforeseeable, inevitable and serious events relieve the contractor for the duration of such event and the extent of its effect from their obligations to perform. This does not apply if such an event occurs at a point in time at which the contractor is already in default. The contractor is held to immediately provide the required information to a reasonable extent and to adapt in good faith the obligations to the changed conditions.

12. Claims for defects

12.1 The contractor guarantees that all deliveries and services comply with all recognized technical standards, safety regulations, agreed technical data, and the quality, nature and durability agreed upon, and that they do not have any other defects. Every modification of the delivery item requires Moog's previous written consent.

12.2 Acceptance is made conditional to an inspection of deliveries and services for the absence of all defects. Moog will examine the delivered items on receipt to check their identity and quantity as well as to ensure the absence of any visible transport damages to the extent of and as soon as is feasible during the course of regular business. Moog will claim damages immediately after any detection of damage. . Therefore, the contractor waives the objection of late notification of defect.

12,3 Any acceptance requires Moog's written declaration.

12.4 The statute of limitation of claims for defects is 26 months, counted from the date of goods receipt, provided that no other statute of limitation has been agreed for a specific case or longer legal statutes of limitations apply.

12.5 If the contractor complies with his/her obligation to deliver a replacement, the statute of limitation for the goods supplied begins anew, unless the contractor has expressly and correctly stated that the delivery of a replacement is made as a gesture of goodwill.

12.6 The contractor shall respond to notifications of defects in the quality of delivered goods in text form within 15 days. In this notification, the contractor must mention the following items:

- Reference to the file number of Moog's notification of defects
- The cause of the defect and how it was detected
- The action to be taken to correct the defect

12.7 If the contractor does not start to correct the defect immediately after Moog's request to do so, Moog is entitled to carry out correction of the defect on its own or to have it corrected by third parties , especially to prevent any accidents or danger caused by the defect as well as the avoidance of any further damage.

12.8 If identical goods are repeatedly delivered in a defective state, Moog is entitled, after written notification to the contractor, to withdraw from any further deliveries

- 12.9 The contractor's liability for material defects is limited as follows: in the case of minor negligence, Moog waives any claims for damages due to lost profit. In an individual case, the value of claims for damages is limited to the higher of the two amounts stated hereafter: € 1 million or the value of the sales figure realized in the previous calendar year between Moog and the contractor. Identical goods delivered within 3 months which have similar defects will be considered as one occurrence
- 12.10 As for the rest, the legal provisions for claims for defects shall apply.

13. Product liability and insurance protection

- 13.1 If the contractor is responsible for product damages, he/she is obligated to indemnify Moog from the damage claims of third parties upon their first request to the extent that the cause was under his/her control and within his/her organizational sphere and the contractor himself/herself is liable in the outside relationship.
- 13.2 Within this framework, the contractor must compensate Moog for any expenditure in line with paragraphs 683, 670 BGB (German Civil Code) and in line with paragraphs 830, 840, 426 BGB, in conjunction with paragraphs 426 and 254 BGB, which result from or in conjunction with any recall action or product loss on our part. Moog will inform the contractor of the content and extent of recall actions – as far as is feasible and reasonable – and give the contractor the opportunity to submit comments.
- 13.3 The contractor undertakes to maintain product liability insurance with adequate coverage. However, the amount of coverage must not be less than € 1 million for each case of personal injury and material damage. The contractor must provide proof of such insurance upon request.

14. Third party rights, industrial property rights

- 14.1 The contractor is responsible for ensuring that all deliveries are free from third parties' industrial property rights and that no patents, licences or other protective rights of third parties are infringed by the supply and use of the items delivered.
- 14.2 The contractor shall release Moog at first request from all claims against Moog due to the infringement of industrial property rights or other rights put forward by third parties, and the contractor must take over all costs for defending these rights if the claims are based on a culpable breach of duty by the contractor.

15. Materials provided

- 15.1 Materials provided including but not limited to tools, models, patterns, materials, and drawings remain the property of Moog. Materials shall be separately stored, marked and managed. Their use is only allowed in conjunction with purchase orders placed by Moog. In the case of any decrease in value or loss, the contractor must provide replacement. This also applies to paid provision of materials for a specific order.
- 15.2 Any materials provided which have not been used must be returned automatically to Moog after successful completion of the order concerned.. The cost of returning them will be borne by Moog. Moog reserves the right to decide on the method of return.
- 15.3 The contractor undertakes to insure materials provided by Moog at his/her own expense to the original value of the materials against usual commercial risks, in particular against fire, water and theft.
- 15.4 If Moog has paid tooling costs for the contractor, Moog is entitled to reclaim such payment if the contractor has supplied defective goods on several occasions and the cause of the defects is not due to the wear of the tooling.

16. Place of fulfillment

The place of fulfillment is the place to which the goods are to be delivered or where services are to be rendered.

17. Data protection, secrecy, competition

- 17.1 The purchase order and information passed on to the contractor and any subcontractors used to complete the order are confidential. The expertise of Moog shall only be disclosed to the contractor's vicarious agents and assistants to the extent that is necessary for the purpose of completing the order. The contractor and hi /her subcontractors shall store the data in accordance with the provisions of the Federal Data Protection Act. In the case of an infringement of the non-disclosure agreement, claims for compensation are reserved.

17.2 In order to ensure due observance of the non-disclosure agreements entered into by Moog towards their customer and for the protection of Moog's intellectual property, the contractor ensures the confidential treatment of any expertise received from Moog. The contractor will ensure in writing that his/her vicarious agents and assistants will be under the same obligation pursuant to this non-disclosure agreement. The contractor is not allowed to use any know-how received from Moog for any purposes other than the production of goods and services as per the purchase order.

17.3 The contractor undertakes to refrain from using goods and services ordered by Moog for competing against Moog or to further or support third parties to become competitors of Moog. Goods manufactured in line with technical specifications furnished by Moog shall not be made available to third parties.

18. Place of venue and applicable law

18.1 The place of venue is Unna, Germany. Unless otherwise provided for, the language of the court is German. Moog is also entitled to sue the contractor in any other permissible place of jurisdiction.

18.2 The contractual relationship is exclusively subject to the laws of the Federal Republic of Germany with the exclusion of collision rights and the UN Purchase Law (United Nations Convention on Contracts for the International Sale of goods dated 11 April 1980).