

1. Contract Formation

If this instrument is a quotation, whether or not responsive to a request from the Buyer, it constitutes the offer of Moog B.V. (hereinafter "Moog") to the Buyer, and becomes a binding contract under the terms and conditions set forth herein when it is accepted by the Buyer. However, any such acceptance shall be valid only if made within sixty days of the date of this instrument or such other time period specified herein. If this instrument is an acknowledgment, it constitutes Moog's acceptance of the Buyer's order, subject, however, to the terms and conditions set forth herein. Upon the creation of a contract, this instrument will recite the entire agreement between the parties with respect to the goods, equipment or services being purchased, and shall supersede any other agreement, writing, or understanding whether made before or after the date of this instrument. Thus, Moog's contractual obligations are expressly limited to the terms contained herein. The inclusion of any different or additional terms in any other instrument is objected to, and performance by Moog shall occur with the express understanding that only the terms and conditions recited herein shall control.

2. Terms of Payment

- a) All payments are to be made in the currency as specified in the order, and without expense to Moog.
- b) Payment shall be cash with the Order or sight draft attached to a bill of lading (or other shipping documents) at the option of Moog.
- c) When credit is extended by Moog, invoices shall be due and payable within thirty days from invoice date. Any amount unpaid thirty days after shipment is subject to a monthly service charge, on the unpaid balance. However, notwithstanding the foregoing, Moog retains the option to refuse or to revoke credit, and to require immediate payment of all outstanding balances and payment on delivery for all future deliveries.
- d) Buyer agrees to pay any expenses incurred in collecting any unpaid balance of the purchase price, or in recovering possession of goods including reasonable attorney's fees.
- e) If Moog extends credit to the Buyer, then for the purpose of securing payment and performance of all Buyer's obligations hereunder, Moog shall retain a security interest in all of the goods being sold pursuant to this agreement. At Moog's request, Buyer shall execute and join in executing all financing statements and other instruments, in form satisfactory to Moog, which Moog deems necessary or desirable to perfect its security interest in the goods being sold pursuant to this agreement.

3. Project Execution/Acceptance Tests

- a) If applicable, the contract shall include (a) date(s) before which design data shall be provided by the Buyer to Moog, as required by Moog for the adaptation of the product to the Buyer's specification, as agreed upon.
If the contract provides for design review meetings to be held by the Buyer and Moog, the meeting(s) shall be held at Moog's premises, unless specifically agreed otherwise. At such design review meetings, Moog shall provide system design information, interface data and/or acceptance test criteria to the Buyer. Unless specifically agreed otherwise, the Buyer shall strictly adhere to such information, data and/or criteria, in order to ensure successful product use, installation, acceptance and/or integration into Buyer's equipment.
If the Buyer causes delay, including delay in providing the required design data, delay of planned design reviews, delay in delivery of equipment to be supplied by the Buyer or a third party, or delays in activities as described in Clause 3d, Buyer shall nevertheless pay according to the originally agreed payment schedule dates. In addition, the Buyer shall compensate Moog for any additional costs Moog incurs as a result of this delay.
- b) Acceptance tests provided for in the contract shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours ("Factory Acceptance").
If the contract does not specify the technical requirements, the tests shall be carried out in accordance with general practice in the appropriate branch of industry concerned in the country of manufacture.
- c) At Buyer's request, Moog shall notify the Buyer in writing of the acceptance tests in sufficient time to permit the Buyer to be represented at the tests. If the Buyer is not represented, the test report shall be deemed to be accurate and shall, at Buyer's request, be sent to the Buyer.

- d) If the contract provides for installation activities and/or acceptance tests to be performed by Moog after arrival of the product at the site of the Buyer ("Site Acceptance"), the Buyer shall ensure that, prior to arrival of Moog personnel, any preparatory work, agreed to be performed by the Buyer, shall be completed. The Buyer shall also ensure that the following conditions are satisfied.

1. Moog personnel shall be informed of all relevant safety and/or security regulations in force at the site.
2. Suitable office space and telecommunication facilities shall be made available to Moog personnel.
3. Suitable lifting and/or handling devices along with operating personnel shall be made available to Moog personnel.
4. Protected storage facilities shall be provided for Moog property and/or the personal effects of Moog employees.

4. Packing and Shipment

Packing and shipment shall be in accordance with good commercial practice.

5. Delivery and Title

- a) Delivery shall be FCA Moog's factory in accordance with INCO terms. Title and risk of loss shall pass to the Buyer at the FCA point.
- b) Under no circumstances shall Moog have any liability whatsoever for delays, loss of use, or for any indirect or consequential damages arising from any delay or loss of use.
- c) Moog shall not be responsible for the failure to perform any obligation arising hereunder due to events beyond its control. These events shall include, but are not limited to, fire, storm, flood, earthquake, explosion, accidents, acts of public enemy, sabotage, strikes, labor disputes, labor shortages, work stoppages, transportation embargoes or delays, failure or shortage of materials or machinery used by Moog in the manufacture of the goods supplied hereunder, acts of God, failure of suppliers or subcontractors to satisfactorily meet scheduled deliveries, and acts or regulations or priorities of the Federal, State or local government or branches or agents thereof, government contracts or shipments to purchasers to fulfill government contracts.
- d) No claim for shortage in packaging shall be allowed unless reported to Moog, in writing, within ten days after receipt of goods.

6. Patents

- a) The buyer shall not receive, as a result of the sale of goods hereunder, any right or license of any kind under any patent owned or controlled by Moog, or under which Moog may be licensed. However the foregoing provision shall not limit the right of the customer to use and sell such goods, in the event such goods are covered by any such patent under any patent owned or controlled by Moog.
- b) Moog agrees to defend any suit, foreign or domestic, that any party may institute against the Buyer for alleged infringement of a patent or patents relating to specific devices or apparatus of Moog's own design and furnished to the Buyer under this contract. However, this paragraph shall apply only to such infringements as shall arise only from the use of such specific devices or apparatus themselves and not as a part of any combination of any other devices, apparatus, and/or parts. Furthermore, Moog's obligations under this paragraph shall only arise only if the Buyer (a) shall have made all payments then due under this contract; (b) shall give Moog immediate notice in writing of the alleged infringement and of the institution of any suit; (c) shall permit Moog to defend such suit; and (d) shall furnish to Moog all information, assistance, and authority which, in the opinion of Moog's attorneys, is necessary to defend such suit. Moog shall have no liability under this paragraph for any compromise reached without Moog's written consent. Unless arising as a direct consequence of litigation which Moog has itself defended under the terms of this paragraph, Moog shall have no liability for any patent infringement. Moog shall also not be required to defend any suits or pay any damages which may arise, directly or indirectly, by reason of the use of any part, device, apparatus, and/or design not furnished by Moog.

Moog B.V. Terms and Conditions of Sale (Cont'd)

7. Indemnity

If any goods are made in compliance with Buyer's plans, designs, specifications or instructions, Buyer shall indemnify and hold harmless, and defend Moog from and against any damage, loss, expense, liability, claims, suits, judgments, decrees and costs caused by or relating to the plans, designs, specifications or instructions for such goods, including any patent infringement or alleged infringement.

8. Moog Standard Product Warranty

- a) Moog warrants that each item of its manufacture shall, at the time of shipment to Buyer, conform to applicable specifications and drawings, and be free from defects in material and workmanship. Design, essential performance, or other provisions expressly stated to be goals or objectives shall not be deemed to be requirements subject to this Warranty.
- b) Unless otherwise specified, Moog's obligation under this Warranty shall be limited to repair or replacement, at Moog's option, of any item which within twelve months from date of shipment to Buyer is proven to Moog's satisfaction to have been nonconforming at the time of shipment. As a condition of this Warranty, Buyer shall notify Moog in writing of any claimed nonconformance immediately upon discovery and shall return the item to Moog for inspection. Moog shall not be responsible for any work done or repairs made by others at any time. Disassembly by anyone other than persons authorized by Moog will void the terms of this Warranty.
- c) Moog shall not be responsible for the performance of any product which incorporates items manufactured by Moog unless such performance is expressly designated as Moog's responsibility under the terms of the written agreement between Moog and the Buyer.
- d) Moog shall not be liable for improper use, installation, accidents, operation or maintenance of items manufactured by Moog, nor for any damage resulting there from, or from negligence on the part of Buyer's employees or agents.
- e) Moog shall not be responsible for any consequential or incidental damages occasioned by failure of any item supplied by Moog, or by failure of any item in which a component manufactured by Moog is incorporated.
- f) Unless previously agreed to in writing, Moog shall not provide field repairs, modifications, or any other field service under this Warranty.
- g) THE WARRANTIES CONTAINED HEREIN ARE EXCLUSIVE AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER OBLIGATIONS AND LIABILITIES. WITH RESPECT TO CONTRACTS DIRECTLY BETWEEN MOOG AND THE U.S. GOVERNMENT OR ANY OF ITS AGENCIES, THE RIGHTS AND REMEDIES AFFORDED TO THE GOVERNMENT OR AGENCY BY THIS STANDARD PRODUCT WARRANTY ARE IN ADDITION TO AND DO NOT LIMIT ANY RIGHTS AFFORDED BY ANY OTHER PROVISION OR PROVISIONS OF THE CONTRACT.

9. Information, Data and Design

Any proposals, prints, brochures, drawings, data or other information furnished to the Buyer by Moog before, after, or contemporaneously with the execution of this contract are intended for confidential use by the Buyer, shall remain the property of Moog, and shall not be used to the detriment of Moog's competitive position. When given, all such proposals, performance and production projections, prints, brochures, drawings, designs, data and other information are based on Moog's knowledge and understanding, but are, in all events, estimates only and are not guaranteed or warranted in any respect. The providing of any design information by Moog shall not constitute an assumption of design responsibility unless otherwise expressly assumed by Moog.

10. Cancellation of Contract

Under no condition may the Buyer cancel his obligations under this contract. Any attempt to do so will entitle Moog, in its sole discretion, to either (a) recover all direct, indirect, and consequential damages arising by reason of such attempted cancellation, or (b) retain as liquidated damages any customer deposit made under this contract.

11. Termination for Convenience: Customized Projects

- a) For customized projects, Buyer may request a Termination for Convenience by providing Moog with 60 days advance notice of termination. Moog shall have a right to payment for all the costs sustained and justified up to the notice of termination for convenience by the Buyer, including reasonable profit. Upon receipt of termination for convenience, Moog shall immediately stop all work and cancel all subcontracts and purchase orders under this contract in addition to any other action required in order to minimise cost due to Buyers termination for convenience.

- b) Moog shall submit a Termination for Convenience Claim to the Buyer within ninety (90) days after receipt of Buyer's Termination for Convenience Notice. Such claim must contain sufficient detail to support the amount being claimed by Moog and Buyer shall pay the Termination Claim within ninety (90) days to Moog.
- c) Moog's total claim and the total liability of the Buyer under this term 11 shall consist of: (i) the cost of Moog's internal labour, other project and/or purchasing costs incurred on behalf of the Buyer up to 30 (thirty) Days after the date of termination, (ii) the costs of equipment ordered that is completed or in the course of production for the Buyer.
- d) In no case shall the amount payable by the Buyer exceed: (i) the cost incurred by Moog on the terminated work plus reasonable profit on such costs; or (ii) the total contract value the Buyer would have paid to Moog if the Project Sale had been completed by Moog and delivered to the Buyer.

12. Applicable Law

In the event of a dispute regarding any of the terms or conditions contained herein, the parties agree that the laws of The Netherlands will control.

12. Assignments

The Buyer's rights may not be assigned or otherwise transferred to any other person, whether by operation of law or otherwise, without Moog's prior written approval.

14. Waivers

Waiver by Moog of any breach of any of these provisions, or its failure to exercise any right, shall not be construed as a waiver of any other breach, or a waiver to exercise any other right.

15. Indemnification

Buyer will indemnify Moog and hold Moog harmless from any and all claims made by Buyer's employees or agents for injuries or damages including death, arising from or related to tasks performed under this quotation or contract.

Buyer agrees that any contract between Buyer and Buyer's customer will include an indemnification for Moog from any liability for improper use, accidents, improper operation or maintenance of Buyer's system or Moog product sold hereunder, including damage there from or for negligence on the part of Buyer's customer, employees or agents.

Buyer shall indemnify Moog from any and all loss, cost or damage resulting from Buyer's negligent or improper installation of Moog products and/or Buyer's system containing Moog product. Buyer assumes all liability for properly imposing/effectively communicating to Buyer's customer any and all warnings, labels, maintenance and/or instructions as defined in Moog's product literature and documentation and any and all higher level system/installation safety, operational and maintenance requirements.

Buyer agrees that any contract between Buyer and Buyer's customer will include an indemnification for Moog and hold Moog harmless from any incidental or consequential damage claimed by any third party occasioned by failure of any items supplied by Moog or by failure of any item in which a component manufactured by Moog is incorporated. To the extent Buyer is the end user or operator of Buyer's system incorporating Moog product sold hereunder, Buyer provides the foregoing indemnification to Moog directly.

16. Default

If the Buyer fails to pay any invoice when due, or fails to accept shipments as scheduled, Moog may, at its option and without prejudice to other remedies, either defer further shipments until the default is corrected or cancel Moog's remaining obligations under the contract.

17. Buyer's Authorization

Buyer represents and warrants that the person who executed the offer which this instrument accepts, or who will execute the Buyer's acceptance of the offer contained in this instrument, has duly executed the relevant documents on behalf of the Buyer, and is duly authorized to so act.

18. Compliance with Export Regulations

The Buyer is hereby placed on notice that the technical data or hardware furnished with this quotation or order acknowledgment may relate to articles controlled by the US Government or any other government for export and may, therefore, be subject to export licensing requirements and limitations on disclosure or shipment to foreign nationals under U.S. or other nation's law. Federal, criminal and civil penalties may result from any violation of these export provisions. **BUYER INDEMNIFIES MOOG FROM ANY BREACH OF SUCH REQUIREMENTS AND LAWS FOLLOWING BUYER'S RECEIPT OF EXPORT CONTROLLED DATA OR HARDWARE.**