

## General Terms and Conditions of Purchase of MOOG Luxembourg S.a.r.l.

- 1. General - Scope of Application**
- 1.1 The Purchaser shall purchase supplies and services of all kinds exclusively on the basis of the following general terms and conditions of purchase and any separate additional special conditions. In the event of inconsistencies the provisions of the special conditions shall take precedence over the provisions of the general terms and conditions of purchase.
- 1.2 The general terms and conditions of the Contractor shall only apply if the Purchaser confirms such in writing. Neither the failure of the Purchaser to oppose such conditions nor the payment for nor acceptance of goods shall represent recognition of external terms and conditions of business.
- 1.3 All agreements between the Purchaser and the Contractor for the provision of supplies and services shall be recorded in writing.
- 1.4 In the framework of the current business relationship our general terms and conditions of purchase shall also apply to all future business with the Contractor even if this is not explicitly agreed in the future.
- 1.5 In case of conflict between the general conditions of the Purchaser and those of the Contractor, the general conditions of the Purchaser are prevailing.
- 2. Order, order confirmation, offer documents**
- 2.1 The Purchaser may cancel the order without incurring cancellation costs as a result if the Contractor does not confirm the order in writing within one week of receipt (order confirmation) unless the supplies or services have been provided in the meantime.
- 2.2 Amendments or additions to the orders shall only be valid if they have been confirmed in writing by the Purchaser.
- 2.3 The Purchaser reserves title and copyrights in tools, moulds, samples, models, profiles, drawings, norm sheets, print templates and gauges; these objects and the objects produced in accordance with these may not be handed over to third parties or used for purposes other than the contractual purposes without the written consent of the Purchaser. They must be safeguarded against unauthorised inspection or use. Whilst reserving further rights the Purchaser can demand that these be returned if the Contractor infringes this duty.
- 2.4 The Contractor shall not permit third parties access to information obtained from the Purchaser unless such is already common knowledge or the Contractor has gained knowledge thereof in another lawful manner.
- 2.5 The passing on of orders to third parties is not permissible without the written consent of the Purchaser and entitles the Purchaser to rescind the agreement in full or in part or to demand compensation owing to non-performance. The Purchaser shall not withhold consent arbitrarily.
- 3. Invoices**
- 3.1 All invoices shall indicate the purchase order number and the numbers of each item. Invoices shall not be due for payment whilst this information is missing.
- 3.2 Invoice duplicates shall be marked as such.
- 4. Pricing policy, payments**
- 4.1 The price stated in the order shall be binding. If there is no written agreement to indicate otherwise, the price shall be deemed to include value added tax, packaging and transport insurance.
- 4.2 Payments shall be due, unless otherwise agreed, within 14 days with 3 % discount or within 30 days net.
- 4.3 The payment period shall begin as soon as the supplies or services have been fully provided and the invoice in its correct form has been received by the Purchaser.
- 4.4 Should the Contractor be required to provide material certificates, test protocols, quality control documents or other documents the receipt of such documents shall also be required before the supplies or services are deemed complete.
- 4.5 Discount deduction is also permissible if the Purchaser offsets or reserves a reasonable amount of payments owing to defects; in the latter case the payment period shall begin once all defects have been remedied.
- 4.6 Unless otherwise agreed, the means of payment shall be at the discretion of the Purchaser; if the Purchaser pays by bill of exchange or cheque any fees or expenses incurred shall be borne by the Purchaser.
- 5. Delivery dates, force majeure, default and acceptance**
- 5.1 The Contractor is obliged to precisely observe the delivery dates agreed in the order or in other agreements. Agreed dates and deadlines shall be binding.
- 5.2 Timely delivery shall depend on timely receipt at the place of delivery stated by the Purchaser. Timely delivery of supplies which need to be mounted or assembled and of services shall depend on their acceptance.
- 5.3 Force majeure, industrial action, unrest, official measures and other unforeseeable, unavoidable and serious events shall release the contractual partners from their performance obligations for the period of the disturbance and the scope of their implications. This shall not apply if these events take place at a time when the Contractor is already in default. The contractual partners are obliged to provide the necessary information - as far as can be reasonably expected - without undue delay and to adjust their obligations to the changed circumstances in good faith.
- 5.4 The Contractor is obliged to inform the Purchaser without undue delay of any circumstances which could lead to non-observance of the delivery dates. If the Purchaser agrees to delayed delivery or service the delivery period shall be extended by the period stated by the Purchaser in writing. Incidentally, the Purchaser reserves all contractual and statutory rights.
- 5.5 In the event of non-observance of the delivery dates the Contractor shall pay compensation of 3 % of the agreed total price per full week of the delay but a maximum of 10 % of the total price as fixed default damage without damage having to be proven in the individual case. Further statutory rights are reserved. The Contractor has the right to prove to the Purchaser that no or significant lesser damage resulted from non-observance of the delivery date.
- 5.6 The compensation claim in the event of non-observance of the delivery dates includes all additional costs incurred as a result of the delayed delivery or service. Taking delivery of a non-timely delivery or service does not mean a waiver of claims for compensation.
- 5.7 Notwithstanding article 1642 of the Luxembourg Civil Code, objection to defects ascertained shall be deemed to have been made in due time if it is made within 14 days calculated from the time of taking delivery of the goods or, in the case of hidden defects, from the time of discovery by the Contractor.
- 5.8 The Purchaser shall examine the goods on delivery only as far as identity and quantity and external recognisable transport damage is concerned.
- 5.9 Acceptance shall require the express written confirmation of the Purchaser.
- 6. Warranty**
- 6.1 The Contractor guarantees that its supplies and services correspond to the recognised state of the art technology, the safety regulations, technical regulations and the agreed technical data, that they are of the correct quality and durability and are not afflicted with other defects. Any

	amendment to the supply object requires the prior written consent of the Purchaser.	9.4	The Contractor is obliged to insure the materials provided by the Purchaser on an "as new" basis at its own cost as customary in the trade but at least against damage due to fire, water and theft.
6.2	The warranty period of the Contractor is 36 months from taking delivery of the goods unless a longer period is agreed in the order confirmation or unless longer periods apply under statute.	9.5	If the Purchaser has paid tool costs of the Contractor it is entitled to demand reimbursement of these costs if the Contractor repeatedly supplies defective goods the cause of which is not wear and tear of the tools.
6.3	All defects objected to during the warranty period shall be remedied by the Contractor immediately on request without any costs being incurred by the Purchaser without undue delay, at the latest within a week of the Purchaser's decision to have defect repaired or to await replacement delivery.	<b>10. Packaging</b>	
6.4	Should these measures not lead to the defects being remedied within 30 days, the Purchaser is entitled to choose subsequent fulfilment and compensation instead of delivery or to rescind the agreement in whole or in part.	10.1	The supplied goods must be correctly packed as customary in the trade. The packaging must meet all technical, statutory and official regulations.
6.5	In the case of subsequent delivery or repair the warranty period for the parts delivered subsequently or replaced parts shall begin anew.	10.2	Unless otherwise agreed, the padding material and the packaging must be recyclable materials. Otherwise the Purchaser is entitled to send these back to the Contractor at the Contractor's cost.
6.6	In urgent cases or if the Contractor is in default with fulfilment of its subsequent improvement obligation, the Purchaser is entitled to have the defects remedied at the cost of the Contractor or to purchase defect-free goods from elsewhere.	<b>11. Place of performance, jurisdiction and choice of law</b>	
6.7	Incidentally the Contractor assumes the guarantee for its supplies and services in accordance with the statutory provisions.	11.1	Luxembourg is the place of performance. All disputes which arise in connection with this general conditions of purchase shall be decided finally and bindingly by the Luxembourg courts. The Purchaser is also entitled to assert a claim against the Contractor in its jurisdiction.
6.8	If the same goods are repeatedly delivered with defects the Purchaser is also entitled to rescind the agreement for the remaining scope of the delivery after a written warning and in the case of a further defective delivery.	11.2	The legal relationships between the Contractor and the Purchaser shall be subject to the laws of the Grand Duchy of Luxembourg, excluding the United Nations Convention on Contracts for the International Sale of Goods of 11.04.1980.
<b>7. Product liability, indemnity and insurance cover</b>		<b>12. Partial invalidity</b>	
7.1	To the extent that the Contractor is responsible for product damage it is obliged to indemnify the Purchaser from compensation claims of third parties on first request if the cause is in its sphere of control and organisation and it is liable vis-à-vis third parties itself. To this extent the Contractor is also obliged to reimburse any expenses, which result from or in connection with a recall action of the Contractor. The Purchaser shall inform the Contractor of the content and scope of the recall measures to be carried out - as far as can be reasonably expected - and give it the opportunity to comment.	12.1	The legal invalidity of individual provisions of these general terms and conditions of purchase shall not affect the validity of the other provisions.
7.2	The Contractor undertakes to maintain and on request show evidence of a product liability insurance policy with a reasonable cover amount, at least EUR 5.0m per injury/damage to person/property.	12.2	Should any part of a clause be invalid this shall not affect the validity of the remaining part of the clause if it can be separated in terms of its content, is comprehensible in itself and if it constitutes a remaining meaningful clause in the overall context of the general terms and conditions of purchase.
<b>8. Rights of third parties and property rights</b>		<b>13. Data protection</b>	
8.1	The Contractor shall be liable that the supplied goods or service can be used or resold without infringing the rights of third parties including intellectual property rights.		The Purchaser shall store the data of its Contractors in accordance with the provisions of the Data Protection Act.
8.2	Should rights of third parties including intellectual property rights be infringed the Contractor shall indemnify the Purchaser on first request from all claims which third parties assert against the Purchaser.		
<b>9. Provision of material</b>			
9.1	Provision of material such as tools, models, samples, materials, drawings and the like remain the property of the Purchaser and shall be stored, marked and administered separately. It may only be used for the orders of the Purchaser. The Contractor shall compensate for any depreciation or loss. This shall also apply to the calculated assignment of allocated materials.		
9.2	On termination of the cooperation the materials provided shall be returned to the Purchaser without the Purchaser having to make a special request to this effect unless the Purchaser has agreed in writing to another use or they have been used up for their designated purpose.		
9.3	The Purchaser only recognises a simple reservation of title of the Contractor. The Contractor reserves title in all goods which it has supplied until full payment has been made.		

Moog Luxembourg, Bettembourg, October 2007