

Sales Terms and Conditions

The following are the terms and conditions ("Terms and Conditions") for the sale of products ("Products") by Moog Inc., doing business as Moog Animatics, a New York Corporation ("Animatics") to Animatics' customers ("Customer").

1. GENERAL.

- a. All prices are F.O.B. Factory in Springfield, Pennsylvania, USA.
- b. Payment terms are net 30 days for customers with established approved credit. Otherwise, payment must be by cash, approved check, or credit card. All Orders accepted by Animatics are subject to these Sales Terms and Conditions.
- c. All orders are subject to a minimum of \$150.00 (U.S.). Any order under \$150.00 (USD) will have an added \$35.00 (USD) processing fee.

2. ORDERS.

Orders are initiated by the Customer issuing a purchase order ("Purchase Order") to Animatics. Purchase Orders will identify the Products, unit quantities, part numbers, descriptions, applicable prices and requested delivery dates. Orders are subject to Animatics' acceptance and to these Terms and Conditions. Customer may cancel an order for standard products subject to a 20% cancellation fee. Customer requests to reschedule are subject to acceptance by Animatics in its sole discretion. Orders may not be cancelled or rescheduled after delivery by Animatics to the carrier. Customer may not cancel orders for non-standard or modified products except at a fee to be determined by Animatics on a case-by-case basis. Non-standard products include, without limitation, products which are special orders, custom orders, orders for non-standard products, modified products, products which do not appear in Animatics' current catalogs and price lists, products not customarily in stock, orders for value-added products, products to be assembled in kit form and products identified as "NCNR" or products that are otherwise non-cancelable and non-returnable.

3. PRICES.

If Customer does not purchase the quantity upon which quantity prices are based, Customer will pay the non-discounted price for the quantity actually purchased. Prices for any rescheduled deliveries may be increased by Animatics in the event of an increase in Animatics prices, costs or causes beyond Animatics reasonable control. The amount of all Federal, State and local sales, use, excise and similar taxes or other charges now or hereafter imposed by any government authority which may be paid by Animatics or for which Animatics may be liable shall be paid to Animatics by Customer in addition to the purchase price of the Products. Prices are subject to change without notice.

4. TERMS OF PAYMENT.

(a) Payment terms are net thirty (30) days from the date of invoice. Orders are subject to credit approval by Animatics, which may in its sole discretion at any time change the terms of Customer's credit or require advance payment or payment by official bank check. If Animatics believes that Customer's ability to make payments is impaired, Animatics may cancel any order or remaining balance thereof, and Customer will remain liable to pay Animatics for Products already shipped. Customer will submit such financial information as Animatics may reasonably require for determination of credit terms. (b) Checks are accepted subject to collection and the date of collection will be deemed the date of payment. Any check received from Customer may be

applied by Animatics against any obligation owing by Customer to Animatics under this or any other contract, regardless of any statement appearing on or referring to such check, without discharging Customer's liability for any additional amounts owing by Customer to Animatics. The acceptance by Animatics of such check will not constitute a waiver of Animatics right to pursue the collection of any remaining balance. (c) Customer will pay the entire net amount of each invoice from the Animatics pursuant to the terms of such invoice without offset or deduction. Invoices not paid when due will bear interest to date of payment at the annual rate of eighteen (18%) percent or such lower rate as may be the maximum permitted by law. If Customer fails to make payment when due, Animatics may pursue any legal or equitable remedies, in which event Animatics will be entitled to reimbursement for costs of collection and reasonable attorney's fees.

5. DELIVERY AND TITLE.

(a) Animatics will make reasonable efforts to initiate shipment and schedule delivery as close as possible to Customer's requested delivery date(s). Customer acknowledges that delivery dates provided by Animatics are estimates only and that Animatics will not be liable for failure to deliver on such dates. Selection of the carrier and delivery route will be made by Animatics unless specifically designated by Customer. (b) All shipments by Animatics are F.O.B. point of shipment (Animatics facility) and the Customer, in addition to the purchase price of the Products, shall pay the amount of all transportation charges from Animatics facility to the customer. Subject to Animatics right to stoppage in transit, delivery to a carrier will constitute delivery to Customer, and risk of loss will thereupon pass to Customer; however, title shall remain in Animatics until payment in full for the Products by Customer. (c) Claims for shortages and damage must be made to the carrier within ten (10) days after delivery. (d) Products invoiced and held by Animatics by Customer's request will be held at Customer's risk and expense. (e) Delivery of any installment of Products within thirty (30) days after the date requested will constitute a timely delivery. Thereafter, delivery will be timely unless Animatics has received written notice of cancellation prior to shipment. Delivery of a quantity that does not vary by more than ten percent (10%) from the quantity specified will constitute full performance of such delivery. Delay in delivery of one installment will entitle Customer to cancel that installment only.

6. LIMITED WARRANTY AND LIMITATION OF LIABILITIES.

Animatics will repair product failures caused by defects in material or workmanship for a period of 2 years from Animatics' ship date for Smart Motors and a period of 1 year from Animatics' ship date for OEM Dynamics actuators. This warranty is extended only to the purchaser of a product from an authorized Animatics distributor. Animatics reserves the right to refuse warranty repairs for unregistered products. Animatics makes no other warranty, express or implied, with respect to the Products. Animatics does not make any warranty or representation regarding merchantability or fitness for any purpose. With respect to products purchased by Animatics from its vendors and suppliers, Animatics will transfer to Customer whatever transferable warranties and indemnities Animatics receives from the manufacturer of any Products.

