

General Terms and Conditions of Contract

1. **CONTRACT:** This purchase order (herein this "Purchase Order"), together with any documents expressly incorporated herein by reference, constitutes the entire agreement between the parties (herein the "Contract"). No change or modification of or deletion to the Contract shall be effected by any acknowledgement, quotation, offer or other document containing additional or different terms or conditions submitted by Seller whether prior to, on the date of or after the date of this Contract. Neither party shall claim any modification, amendment or release from any of the terms or conditions contained herein except by written agreement signed by Seller and an authorized representative of Teijin Carbon Fiber, Inc. (herein "TCF"). Seller's shipment of any of the Goods or performance of any of the services, covered by this Contract, or Seller's receipt of any payment made pursuant to this Contract, constitute Seller's acceptance of said Contract (including these General Terms and Conditions) as fully as if Seller had accepted them in writing.
2. **CHANGES:** TCF shall have the right at any time to make changes to an order including, but not limited to changes in drawings, designs, specifications, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost or the time required for performance, an equitable adjustment shall be made and the order shall be modified in writing accordingly provided that Seller submits its claim for adjustment in writing within thirty (30) calendar days after receipt of the written change order. However, nothing in this paragraph shall excuse Seller from proceeding with the order as changed.
3. **WARRANTY:** Seller represents that with respect to all products, goods, materials, supplies and equipment (herein collectively referred to as "Goods") delivered and services furnished hereunder: (i) title shall be good, merchantable, rightful and the Goods free of any security interest, lien or encumbrance; (ii) all Goods will be new, free from defects in material and workmanship, be of the quality, size, description and dimension required by TCF, be fit for the purpose for which they are purchased and will meet the specifications, if any, and that Seller's services will be performed in a skillful and workmanlike manner; and (iii) the Goods, the process by which they are made, the use for which they are designed by Seller and TCF's use of the Goods will not infringe any patent, trademark, copyright or other rights of any third parties ("Intellectual Property Rights"). Seller shall be liable for all damages resulting from a breach of these or any other express or implied warranties or any other term or condition of this Contract including, but not limited to, loss of production or other special, incidental or consequential damages. Such remedies shall be in addition to all other remedies provided by law. This express warranty shall not be deemed waived by reason of either or both the receipt of the Goods and payment therefore by TCF. The foregoing is in addition to any and all other express or implied warranties applicable to the Goods purchased hereunder.
4. **PATENTS:** Seller shall indemnify, defend and hold TCF harmless from and against any and all liabilities, expenses (including attorney's fees), claims or suits based upon actual or alleged infringement of any patent, copyright, trademark, license or similar right resulting from the furnishing of Goods of services hereunder (except where the Goods have been furnished according to TCF's design). In the event Goods or services are held to be infringing, Seller shall, at its own expense and at TCF's option, either procure for TCF the right to continue using said Goods or services, or replace or modify them so that they become non-infringing, or refund in full the purchase price paid therefore by TCF; provided that any replacement shall be of equivalent quality and that any replacement or modification shall not adversely affect that performance attained prior thereto by the Goods or the plant in which the Goods are used or operated or have been installed or on which the services have been performed.
5. **TITLE:** TCF shall at all times have title to all drawings, specifications and other documents supplied or prepared by TCF and/or Seller in connection with the furnishing of Goods or services hereunder and Seller shall hold in confidence and use the same only to the extent necessary for execution of the Contract and shall, upon TCF's request, promptly furnish to TCF all copies of the same. Seller shall not release for publication or advertising any information concerning this Contract, its existence, or the project for which it is given except with TCF's prior written consent.
6. **TAXES:** Unless expressly provided on the reverse side hereof, all taxes on the production, delivery or sale of the Goods and/or performance of the services are included in the stated price and shall be paid by the Seller.
7. **CANCELLATION:** Without prejudice to any other rights or remedies, TCF may cancel this Contract in whole or in part if the Goods are defective or not

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delivered to TCF as scheduled, or if Seller makes an assignment for the benefit of creditors, a receiver for Seller is appointed or proceedings in bankruptcy or corporation reorganization under the U.S. Bankruptcy Code are filed by or against Seller, or if Seller fails to comply with any of the terms or conditions of the Contract.

8. **DELIVERY:** Each shipment shall be made at Seller's risk and expense, and TCF assumes no liability for loss of, or damage to, Goods prior to delivery to and acceptance by TCF.

9. **COVER; DELIVERY:** In case of default by Seller, TCF may obtain Goods and services from other sources and hold Seller responsible for any damages occasioned thereby. The dates of delivery and quantities specified herein are of the essence for this order and delivery must be effected within the specified time period. TIME OF DELIVERY IS OF THE ESSENCE. If deliveries are not made on time and in the quantities specified, TCF reserves the right to cancel the order in whole or in part and to purchase the Goods and/or services elsewhere and hold Seller accountable for any excess cost resulting therefrom without prejudice to TCF's other rights. Seller agrees that TCF may return, at Seller's expense, for full credit part or all of any shipment not timely delivered. Seller shall cooperate with TCF in respect to all customs formalities applicable to the import or export of the Goods, shall be responsible for determining proper import or export classifications, and shall provide TCF documentation to TCF's satisfaction for such classifications. All shipments will be delivered (1) with respect to domestic shipments, FOB Destination (TCF receiving point), regardless of whether Seller or TCF pays for actual freight delivery charges, and (2) with respect to international shipments, DDP to the destination specified in the order and otherwise in accordance with the order.

10. **LIABILITY:** Seller will defend, indemnify and hold harmless TCF, its affiliates, vendors, and their officers, directors, shareholders, employees, and agents from and against any and all loss, liability and expense by reason of (i) any actual or alleged violation of applicable laws, ordinances, rules and regulations, (ii) any actual or alleged infringement of Intellectual Property Rights, (iii) injury, death or property damage resulting, in whole or in part, from any negligent act or omission on the part of the Seller or which may result from the installation, operation or use of the Goods furnished hereunder, (iv) a defect in the manufacture or design of the

Goods supplied hereunder, or (v) any breach or alleged breach by Seller of any representation, warranty, or other provision of this Contract. Upon notification, Seller shall promptly assume full responsibility for the defense of any suit or proceeding which may be brought against TCF or any of its subsidiaries, affiliated companies, agents and vendors in connection with the above, or for alleged unfair competition resulting from similarity in design, trademarks, or appearance of the Goods. Seller shall further indemnify and hold TCF, its subsidiaries, affiliated companies, agents and vendors harmless from any and all expenses, losses, claims, royalties, profits, and damages, including court costs and attorneys' fees, resulting from the bringing of such suits or proceedings or the threat thereof and from any settlement, decree or judgment therein. TCF reserves the right to control any such suit or proceeding. In the event it becomes necessary for Seller to go on TCF's property in connection with the subject matter of this Purchase Order, Seller shall indemnify and save TCF harmless from and against any loss, liability, suit, or action, including reasonable attorney's fees for or on account of personal injury or death of any person including workmen, or damage to any property which may arise from the work or operations under this Purchase Order whether caused by Seller or any subcontractor of Seller or by anyone directly or indirectly employed by, or doing work for them.

11. **INSURANCE:** Seller will maintain and require its subcontractors to maintain during the term of the Contract and for two years thereafter insurance coverages meeting the following minimum requirements: (i) commercial general liability insurance and automobile liability insurance (including contractual and products liability), in amounts sufficient to cover Seller's obligations under the Contract, but no less than \$2,000,000 per occurrence with TCF as an additional insured, and include a waiver of subrogation, and (ii) worker's compensation and employer's liability insurance covering all employees engaged in the performance of the Contract which shall also contain a waiver of subrogation. All insurance that this section requires shall be issued by insurers having an A.M. Best financial rating of "A", Class VII or better. Seller will furnish, upon TCF's request, certificates evidencing such insurance providing at least 30 days prior written notice of cancellation.

12. **COMPLIANCE WITH LAWS:** Seller represents, warrants and certifies that it, and any Goods manufactured, sold or rendered in connection with an order, are and will at all times be in compliance

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with all applicable federal, state, local and other laws, regulations, rules or orders, including, without limitation the Fair Labor Standard Act, as amended (and this certification shall be deemed to be the written assurance contemplated by such Act). Seller agrees to comply fully with every statute, law, regulation or government directive which directly or indirectly regulates or affects the Goods or services herein purchased, and to indemnify and save TCF harmless from and against any liabilities, expenses (including attorney's fees), fines penalties or losses resulting from Seller's failure to do so. In accordance with the foregoing provision, but not by way of limitation, Seller agrees that, if this Contract is construed to be a subcontract within the meaning of the Rules and Regulations approved by the United States Secretary of Labor pursuant to Executive Order 11246, as amended, the Vietnam Era Veterans Readjustment Act of 1974, or the Rehabilitation Act of 1973, or of the Regulations issued pursuant to Executive Order 1625, the provisions of the applicable Regulations as well as the Equal Opportunity and Nondiscrimination provision of Section 202 of Executive Order 11246 and Fair Labor Standards Act of 1938 shall be incorporated herein by reference and shall be binding upon Seller as part of these terms and conditions. Further, Seller represents and warrants that all Goods and services covered by this Contract meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (PL 91-596) and its regulations as amended.

Without limiting the foregoing, Seller specifically shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

13. NON-ASSIGNMENT: Seller shall not, without the written consent of TCF, (i) assign the Contract or the performance of an order or any amounts payable pursuant to an order, or (ii) subcontract the provision of any Goods hereunder. The consent of

TCF to any assignment or subcontracting shall not (i) with respect to subcontracting, relieve Seller of its responsibility for the performance of any of its other obligations under the Contract, or (ii) constitute TCF's consent to further assignment or subcontracting. Seller will ensure that any third party to whom Seller subcontracts any of its obligations hereunder is bound by all the terms and conditions under the Contract relating to such performance to which Seller is bound under the Contract. The Contract shall be binding on the parties, and their respective successors and permitted assigns. Any assignments in contravention of this provision shall be void.

14. APPLICABLE LAWS: This Contract shall be governed by and construed in accordance with the laws of the State of South Carolina, United States of America, and the federal laws applicable therein, without regard to the laws of such jurisdiction concerning conflicts of law. Any civil action related to the Contract will be instituted and maintained in the federal or state courts for Greenville County, South Carolina and Seller consents to the personal jurisdiction of such courts. In the event that the Contract is with a Seller from a country that is a signatory to the United Nations Convention on Contracts for the International Sale of Goods ("CISG"), the parties agree that the CISG shall not govern the Contract.

15. INSPECTION: Goods are subject to inspection, test, and acceptance by TCF and the ultimate purchaser. TCF shall have a reasonable number of days from the date of arrival to inspect the Goods and notify Seller of any non-conformity to the order specifications (including quantity and delivery dates). Such inspection may not occur until final sale of the Goods to TCF's customers. TCF reserves the right to reject any Goods, even after delivery and inspection at customer's site, which does not fulfill the specifications of the order or time of delivery and (i) return rejected Goods to Seller at Seller's risk and expense for full credit at the order price without prejudice to any right to other damages for such breach, (ii) to require Seller at Seller's expense to replace rejected Goods at the unit price of this order, or (iii) consider this order breached as to the rejected quantity and cancelled as to any unfulfilled portion of this order, and to hold Seller liable for such breach and cancellation. Seller is not relieved of the responsibility imposed by this clause, either as to proper packaging, quantity of Goods or specifications, by reason of acceptance by TCF.

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16. **CONFIDENTIAL INFORMATION:** All materials and information (whether or not reduced to writing) which Seller receives or gains access to, in whole or in part, directly or indirectly in connection with providing Goods or services to TCF or through access to any of TCF's facilities, including without limitation the following materials and information: drawings, know-how, trade secrets, methods, marketing strategies, specifications, prices, costs, financial information, business plans, purchasing data, research and development data, production processes, customer lists or information (herein collectively, "Confidential Information") is proprietary to TCF, and Seller agrees to keep all such Confidential Information confidential, not to disclose such Confidential Information to any third party and to use such Confidential Information only as necessary in order to fulfill Seller's obligations to TCF under the Purchase Order. Seller further agrees to return to TCF all Confidential Information, including all copies thereof made by or for Seller, upon TCF's request. Seller will not in any manner advertise or publish the fact that it has furnished or contracted to furnish to TCF the Goods or services without prior written consent of TCF. Seller will not have the right under any circumstance to use the name of TCF as its own or hold itself out in a manner that would lead a third party to reasonably believe Seller is acting as or on behalf of TCF.
17. **PRICE:** The price to be paid by TCF and stated on the Purchase Order shall not be increased unless specifically authorized in writing by issuance of a revised Purchase Order by TCF. If price is omitted, it is agreed that the Goods and services shall be billed at the price last quoted or paid, or the prevailing market price at time of delivery, whichever is lower, unless otherwise specified. Seller warrants that the prices charged TCF and stated on the Purchase Order are no higher than prices charged on orders placed by others for similar quantities under similar conditions. If Seller shall establish, prior to shipment under any Purchase Order, lower prices or terms more favorable to TCF than those stated on that Purchase Order, the lower prices or more favorable terms will apply to that Purchase Order.
18. **INVOICES:** Each invoice must bear TCF's order number and coding, if any, and must be mailed not later than the day following shipment and be accompanied by a bill of lading if shipment is made by common carrier. A separate invoice must be rendered for each lot of Goods shipped or delivered to TCF on account of a Purchase Order. Goods received and not covered by an invoice will be held at Seller's risk and expense.
19. **PAYMENT TERMS:** The payment terms or cash discount period available to TCF shall commence on the date of receipt of the Goods or performance of services or on the date of receipt of the invoice; whichever is later. Invoices shall be paid according to discount terms, or if no discount is offered, according to due date terms. If no discount or due date is indicated, payment shall be made within sixty (60) days after receipt and acceptance of the Goods under any Purchase Order. TCF's payment of the purchase price does not constitute acceptance of Goods. Any final payments or retained percentages on services set forth in a Purchase Order shall not be due until Seller's services meet the requirements of the Contract and are accepted by TCF. Seller shall only be entitled to charge TCF for the prices, fees and expenses specifically authorized in the Purchase Order. TCF shall not be required to pay any late charge, interest, finance charge or similar charge. Seller shall give TCF written notice of any claimed discrepancy in any amount paid or deducted by Seller pursuant to the Contract within 180 days of such payment or deduction. If Seller fails to give notice within such period, Seller agrees that it will not thereafter assert any claim for such payment or deduction and waives any such claim.
20. **QUANTITY:** Goods delivered in excess of the amount called for in this Contract may be refused by TCF and returned at Seller's expense. Any merchandise manufactured or shipped prior to receipt of TCF's written confirmation on this form is made and shipped at Seller's risk; TCF will incur no responsibility resulting from such action. Shipment of a quantity greater than that ordered will not be deemed accepted unless authorized in writing by TCF, nor shall shipment of a lesser quantity and TCF's acceptance thereof relieve Seller of its obligation to deliver the balance of the Goods ordered.
21. **TITLE AND ENGINEERING DRAWINGS, SPECIFICATIONS:** Any work and documents, including drawings and specifications, produced or acquired by Seller under an order and all intellectual property rights therein ("Work") shall be owned by and the property of TCF and may be used by TCF on other projects or on subsequent extensions or continuations. Seller is deemed to have assigned to TCF, and does hereby assign to TCF, all right, title and interest in and to all Work. Seller will execute such additional documents as

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TCF may request to vest title in the Work to TCF. TCF grants to Seller a limited, nonexclusive, nonassignable license to use TCF's drawings, know-how, and other Confidential Information only for the purpose of fulfilling its obligations under an order. Seller will not disclose such drawings, know-how or other Confidential Information to third parties unless this is required for Seller to fulfill its duties under the order.

22. OCCUPATIONAL SAFETY AND HEALTH: Seller agrees to comply, and to require its employees, agents and contractors to comply, with the provisions of the Federal Occupational Safety and Health Act, as amended, and the standards and regulations issued thereunder and warrants that all Goods furnished under an order will conform to and comply with said standards and regulations. Further, Seller agrees that at any time that Seller's employees, agents and contractors are performing services in TCF's facilities or in proximity to TCF's employees, Seller shall require its employees, agents or contractors to comply with all safety rules and regulations promulgated by TCF (including without limitation its "Contractor Safety Rules" and other safety rules applicable to the applicable facility of TCF or the project) and all federal, state, and local safety standards and laws. Seller is responsible for the safety of its employees, agents, representatives, and subcontractors at all times while on TCF's premises and for their compliance with these requirements.

23. TOXIC SUBSTANCES CONTROL: Seller expressly represents and warrants that each and every chemical, chemical substance, and in the case of mixtures, every chemical substance ingredient, sold or otherwise furnished hereunder is, at the time of such sale and delivery to TCF, listed in the Toxic Substances Control Act Chemical Substance inventory compiled and published by the U.S. Environmental Protection Agency pursuant to the Toxic Substances Control Act, as amended, and is otherwise manufactured, sold, furnished and/or delivered in compliance with all applicable provisions of such Act. Seller expressly represents and warrants that the Goods sold or otherwise furnished hereunder are not and/or do not contain chemicals or other substances whose use of any kind, or presence in consumer goods has been banned, or whose use has been restricted or limited in any manner without such restriction or limitation being clearly identified with respect to each such chemical or other substance and the components thereof on the labeling of each such Good.

24. TERMINATION FOR CAUSE: TCF may terminate an order or any part of it for Cause. "Cause" shall include: (i) any default by Seller, (ii) any failure by Seller to comply with any of the terms and conditions of the Contract, including late deliveries, deliveries of Goods which are defective or which do not conform in any respect to the requirements stated in the Contract, (iii) failure to provide TCF, upon request, with adequate assurances of future performance, (iv) Seller's financial condition is found to be or becomes unsatisfactory to TCF; or (v) Seller becomes insolvent or there is filed by or against Seller a petition in bankruptcy, reorganization or other insolvency proceeding. In the event of termination for Cause, TCF shall not be liable to Seller for any amount, and Seller shall be liable to TCF for any and all damages sustained by the Cause which gave rise to the termination. If it should be determined that TCF has improperly terminated any order for Cause, such termination shall be deemed a termination for the convenience of TCF.

25. NOTICES; MISCELLANEOUS: Any notice or other communication that is required or permitted under the Contract shall be in writing and shall be effective (i) when personally delivered or sent by telecopier or via electronic mail, (ii) the next business day after delivery to a nationally-recognized overnight delivery service designated for next business day delivery with all charges prepaid, or (iii) three (3) days after mailing if sent by certified mail, return receipt requested, postage prepaid, addressed to TCF or Seller, as applicable, at its address specified in the order or to another address that a party shall specify to the other by written notice, except that a notice or other communication may be given orally, including by telephone, if it is confirmed by written notice given the same day. Failure by either party to require strict performance hereunder will not be deemed a waiver of that party's right to subsequently require strict performance. The terms and conditions of the Contract are severable and if any terms and conditions or portions of any terms and conditions of the Contract are stricken or declared illegal, invalid, or unenforceable for any reason whatsoever, the legality, validity or enforceability of the remaining terms and conditions of the Contract will not be affected thereby.