



Terms and Conditions

A CONTRACT ("CONTRACT") FOR THE SALE OF PRODUCTS ("PRODUCTS") BY TORAY ADVANCED COMPOSITES OR ANY OF ITS DIVISIONS OR SUBSIDIARIES ("TAC") TO CUSTOMER ("CUSTOMER") SHALL BE FORMED UPON WRITTEN ACCEPTANCE BY TAC OF CUSTOMER'S PURCHASE ORDER, BY MEANS OF TAC'S "CONFIRMING SALES ORDER," BUT NOT OTHERWISE. ALL SALES OF PRODUCTS ARE SUBJECT TO THESE "TERMS AND CONDITIONS OF SALE" WHICH ARE HEREBY INCORPORATED BY THIS REFERENCE, IN THEIR ENTIRETY, IN EACH TAC CONTRACT. TERMS OR CONDITIONS IN ANY CUSTOMER PURCHASE ORDER, DOCUMENT OR OTHER COMMUNICATION THAT CONFLICT WITH OR CONTRADICT THESE TERMS AND CONDITIONS WILL NOT MODIFY THE TAC CONTRACT OR ANY RIGHTS OR OBLIGATIONS THEREUNDER, UNLESS CONFIRMED IN A WRITING SIGNED BY TAC.

INTERPRETATION – For the avoidance of doubt, in the event of any conflict, ambiguity or inconsistency found in the terms of any of the following documents, the following order of precedence shall control, notwithstanding any statements in Customer's documents to the contrary:

- A. TAC Confirming Sales Order;
- B. These Terms and Conditions of Sale;
- C. Customer's documents, including specifically, but without limitation, Customer's purchase order.

PRICES – All prices shall be quoted and paid in U.S. dollars, unless otherwise agreed. TAC's quoted prices in its standard quotation form ("Quotation") shall apply for thirty (30) days from the date of the Quotation, or as otherwise stated therein. Prices are otherwise subject to change at any time in the discretion of TAC. Prices are quoted for Products only and do not include applicable taxes, impositions and any other charges, fees, shipping charges and duties. Customer is responsible for all such amounts unless otherwise agreed in writing.

TERMS OF PAYMENT – All shipments will be accompanied by TAC's invoice ("Invoice"). Credit purchases must be approved in advance by TAC, and payment of the total Invoice amount on a credit purchase, without offset or deduction, is due thirty (30) days from the Invoice date. On any past due Invoice, TAC may charge interest from the payment due date to the date of payment (at 1 1/2 % per month). If TAC initiates a collection action on any past-due Invoice, it shall be entitled to collect reasonable attorney fees and collection costs in addition to the amount of the Invoice and accrued interest. TAC may change the terms of Customer's credit prospectively at any time effective immediately upon notice to Customer.

DELIVERY AND TITLE – Unless otherwise agreed in writing, all Products will be delivered FOB TAC's facility in Morgan Hill, California USA. Shipment beyond such point will be arranged by TAC in accordance with the Contract. Title and risk of loss pass to Customer upon delivery of the Products to the carrier. Unless otherwise specified in the Contract, TAC will choose the appropriate carrier and shipping and freight payment methods to ship the Product to Customer. The carrier is the agent of Customer. Customer shall be responsible for all shipping costs and any applicable surcharges. In the absence of agreement, TAC may prepay the freight costs and add all costs to the Invoice for the order. Shipments that are shipped with "Prepaid and Add" freight terms will have an additional 10% added to the freight charges as a Handling Fee. If Customer does not have insurance to cover "In Bound Freight," Customer should elect to ship Product with additional insurance. Claims for goods damaged during transit should be made by Customer to the carrier and/or freight forwarder. TAC's delivery dates are estimates only and TAC is not liable for delays in delivery. TAC reserves the right to make partial

shipments and Customer will accept delivery and pay for the Products when and as delivered.

QUANTITY TOLERANCE – As it is not always practical to make goods to individual specifications in exact quantities, TAC reserves the right to under-ship or over-ship by an amount equal to ten percent (10%) of total Contract quantity, adjusting the total price payable by Customer accordingly.

INSPECTION; ACCEPTANCE OF PRODUCTS AND PRODUCT RETURNS – All Products shall be subject to TAC's "Return and Credit Policy" which is as follows:

A. Customer shall inspect all Products within ten (10) days of delivery to assure conformity to the TAC Warranty (see below). Should Customer determine upon inspection that any Product does not meet the TAC Warranty, Customer shall issue a "return request" to its TAC Technical Sales Representative ("TSR") who is designated on TAC's Confirming Sales Order.

B. Pursuant to the TAC Warranty, TAC may, in its discretion: (1) repair and return the defective Product, (2) replace the defective Product at no cost to Customer; or (3) refund Customer's purchase price for the Product.

C. Only return requests made within thirty (30) calendar days after the Invoice date for the Product will be processed. Beyond thirty (30) calendar days, the Product will be deemed accepted. TAC reserves the right to not authorize any return and/or subsequent credit if the return request is not made within the thirty (30)-day period.

D. Upon timely receipt of a return request, the TSR will then coordinate efforts with TAC's Quality Assurance Department ("QAD") to assess the nature of the Product rejection and the return request. TAC may ask Customer to send back, at Customer's expense, some or all of the Product for evaluation, or a TAC representative may elect to visit Customer's facility to assess the issue. Customer consents to such visit. The QAD will inspect the Product in question to determine if a return or credit is justified.

E. If TAC determines that the Product meets Customer's or TAC's product specifications (whichever controls the purchase of the Product in question), then no further Warranty action will be authorized, and customer will be notified accordingly. If TAC has possession of the Product, it will send the Product back to Customer, at Customer's expense.

F. If the Customer complaint revolves around shelf life, tack and/or handling properties of any Product, then Customer must furnish TAC with a documented detailed summary of the room temperature out-time to which the material has been exposed. If the Product is beyond its shelf life (frozen or room temperature) then no further Warranty action shall be authorized.

G. If TAC determines that a return is justified under the Warranty, then TAC will provide Customer with a *Returned Material Authorization Number* ("RMA Number"). TAC may then elect, at its option, to have the Product sent back to TAC, at TAC expense, or to issue a credit to Customer within sixty (60) calendar days from the date the RMA Number was issued.



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H. Unless otherwise agreed by TAC in writing, all Products under Warranty review will be shipped according to TAC's standard shipping procedures.

TAC'S LIMITED WARRANTY – TAC warrants that the Products will conform to the manufacturer's specifications, and that value-added work performed by TAC on Products will conform to Customer's written specifications accepted by TAC prior to commencing such work ("Customer Specifications"). THIS IS THE COMPLETE TAC WARRANTY ("WARRANTY"). TAC MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A SPECIFIC PURPOSE OR NON-INFRINGEMENT, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED AND REJECTED. If Products do not meet manufacturer's specifications or if accepted value-added work done by TAC does not meet Customer Specifications, TAC may, in its sole discretion, either: (1) repair and return the Products, (2) replace the Products at no cost to Customer; or (3) refund Customer's purchase price. Warranty claims must be made to TAC in accordance with the TAC "Return and Credit Policy." Claims which are not made to TAC within (30) days of Invoice date shall not be covered by warranty.

LIMITATION OF LIABILITY – TAC'S LIABILITY TO CUSTOMER IS LIMITED TO ITS OBLIGATIONS CONTAINED IN ITS LIMITED WARRANTY (ABOVE). TAC IS NOT LIABLE FOR, AND CUSTOMER IS NOT ENTITLED TO COLLECT, ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR REVENUE, LOSS OF DATA, LOSS OF USE, COSTS OF REWORK, MANUFACTURING EXPENSE, LOSS DUE TO INJURY TO REPUTATION, OR LOSS OF CUSTOMERS OR BUSINESS. UNDER NO CIRCUMSTANCES SHALL THE AMOUNT OF DAMAGES COLLECTED BY CUSTOMER EXCEED THE PRICE OF THE PRODUCT AT ISSUE. CUSTOMER WILL INDEMNIFY, DEFEND AND HOLD TAC HARMLESS FROM ANY AND ALL CLAIMS BASED ON: (i) TAC'S ALLEGED FAILURE TO COMPLY WITH CUSTOMER DESIGNS, SPECIFICATIONS OR INSTRUCTIONS, (ii) MODIFICATION OF ANY PRODUCTS BY ANYONE OTHER THAN TAC, OR (iii) USE IN COMBINATION WITH OTHER PRODUCTS. TAC is not responsible for material losses incurred during the toll impregnation process of Customer-supplied goods. Customer will be billed on input fabric quantity and not preimpregnation yield quantity for all toll impregnation purchase orders.

FORCES BEYOND TAC'S CONTROL – TAC is not liable for failure to fulfill its Contract obligations if such failure results from causes beyond its reasonable control (for example: acts of God, acts or

omissions of the Customer, man-made or natural disasters, epidemic medical crises, materials shortages, labor actions or strikes, acts of terrorism, delays in transportation, or inability to obtain labor or materials through regular sources).

TAC'S MATERIALS – All of Customer's tooling, goods and other property in TAC's possession shall be fully insured by Customer, and Customer releases TAC from all liability for loss of or damage to such items. At any time after twenty-four (24) months following completion of any order requiring the use of such items, TAC may use, return or dispose of such items, in its sole discretion, without liability to Buyer.

TERMINATION – TAC may terminate the Contract immediately at any time upon any material breach by Customer. In addition, if Customer ceases to conduct its operations in the normal course of business, or is unable to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought by or against Customer, or a receiver for Customer is appointed or applied for, or Customer makes an assignment for the benefit of creditors, TAC may promptly terminate this Agreement without liability. No such termination by TAC shall relieve Customer of Customer's obligation to pay for Products delivered through the date of termination or to compensate TAC for damages caused by Customer's breach.

NON-ASSIGNMENT – Customer shall not assign a Contract or any rights or obligations under a Contract, directly or indirectly, without the prior written consent of TAC and any attempted assignment shall be void.

EXPORT/IMPORT – Certain Products sold by TAC and other related technology and documentation are subject to export control laws, regulations and orders of the United States and the export or import control laws and regulations of other countries ("Export Laws"). Customer will at all times comply with all such Export Laws and will not directly or indirectly export or divert any Products or any related technology or documentation to any third party or country if such export or transmission is restricted or prohibited. Customer agrees that it is responsible to obtain any licenses to export, re-export, or import as may be required by applicable law.

GENERAL – The laws of the State of California will exclusively govern any dispute between TAC and Customer, without reference to California's conflict of laws principles. The United Nations Convention for the International Sale of Goods shall not apply. A Contract can only be modified by a writing signed by the authorized representative of the party against which it will be enforced. The unenforceability of any of these terms or conditions, or any other terms and conditions of the Contract, will not affect the remainder of the terms or conditions of the Contract.

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CERTIFICATIONS:

ISO 9001:2015
AS9100D