



EURO-COMPOSITES® Corporation
STANDARD TERMS AND CONDITIONS of PURCHASE
As of October 27, 2011

1. Governing Terms and Conditions.

All contracts, whether by purchase order or otherwise, between EURO-COMPOSITES® S.A. or EURO-COMPOSITES® Corporation (collectively "EC") and the Seller shall be governed exclusively by these "Conditions of Purchase".

All purchase orders issued by EC constitute an offer by EC to the Seller to whom a purchase order is issued to purchase the articles, materials, services or equipment covered by such purchase order (the "Product") exclusively upon these Conditions of Purchase, which shall become a binding contract between EC and Seller upon either issuance of an order acknowledgment by Seller or Seller's performance of a purchase order (the "Agreement"). No contrary or additional terms or conditions proposed by Seller will be accepted by EC, and are hereby expressly rejected, unless accepted in a writing executed by an authorized officer of EC making specific reference to the purchase order and the specific contrary or additional term or conditions proposed by Seller. Seller's performance pursuant to EC's purchase order shall be deemed unqualified acceptance by Seller of these Conditions of Purchase.

2. Intellectual Property Rights. EC reserves its proprietary and intellectual property rights, to include without limitation patents, trade secrets, trade or service marks and copyrights to all documents that it provides to Seller, including without limitation drawings, photocopies, schematics, schedules, etc., and all such documents, together with all copies, shall be promptly returned upon EC's request. Seller hereby warrants that it shall use all commercially reasonable efforts to prevent misuse, misappropriation or unauthorized disclosure of information contained in any documents or data supplied to Seller by EC. Seller warrants that the Products when delivered to EC will be free from any claims of alleged infringement of patent, copyright, trade mark, service mark, trade secret or any other intellectual property right of any other party.

3. Confidentiality. All data and other information obtained by Seller from EC in connection with the purchase order, and any Work Product to be delivered to EC hereunder, shall be held in strict confidence by Seller and used solely for the purposes originally intended in connection with the purchase order. Seller shall treat such data, information and Work Product with the same degree of confidence that it uses to protect its own proprietary or confidential information (but not less than a commercially reasonable standard of care). Seller shall ensure that each of its employees, agents and contractors to whom such data, information or Work Product is made known is legally bound to maintain the confidentiality of such data, information or Work Product.

4. Delivery and Shipping Requirements. Delivery periods shall run from the date of the purchase order. TIME SHALL BE OF THE ESSENCE for all delivery dates for the Products, and Seller shall be liable to EC for its compensatory and consequential damages in the event of late delivery or other breach by Seller. In the event Seller anticipates failure of or delay in delivery of the Products, Seller shall have the affirmative obligation to promptly notify EC in writing of such anticipated failure or delayed delivery, specifying in such writing the reason(s) for such failure or delay and the anticipated period of delay. Unless otherwise specified in the purchase order, terms of delivery of the Products are F.O.B. destination with freight prepaid. Deliveries shall be made at the times and of the quantities specified on the face of this purchase order, and Seller shall not, without the written consent of EC, make shipments in advance of scheduled delivery. EC may require Seller to alter or expedite routing in place of scheduled routing if necessary to meet the purchase order schedule or recover time lost by any delay, in which event any extra transportation costs shall be paid by Seller. EC may postpone delivery of any Products covered hereby. Overshipments may be returned by EC at Seller's expense or retained by EC at no increase in price. Seller shall not make any commitment, agreements or production arrangements with others which cause Seller to be unable to meet EC's delivery schedule for Products. EC shipping instructions shall be strictly observed by Seller. Any cost incurred through non-observance of shipping instructions shall be borne by Seller. In no event shall transport insurance charges be paid by EC unless agreed in writing and in advance. All deliveries shall strictly conform to the specifications of the purchase order, including but not limited to tolerances, quantity, weight and dimensions. Seller shall notify EC of any non-conformity known prior to shipping, and seller shall not ship any non-conforming Products to EC without EC's written approval for shipping. Nonconformity in any material respect shall constitute cause for total rejection, and nonconforming goods shall be return shipped at Seller's cost. EC's reasonable determination on rejection shall be binding.

5. Critical Raw Materials and Parts Requirements. Critical raw materials and parts shall be accompanied by the statement that the material meets the requirements of the corresponding specification. This statement must be an official letter or a certificate of compliance indicating the lot number(s) involved in the shipment, the purchase order number and test results, if applicable. EC as well as customers and authorities such as the FAA or other government agencies have the right to verify at the source or upon receipt that the Product conforms to specified requirements. This includes access to all facilities of Seller and to all applicable records of Seller involved in the purchase order. Supplier shall notify EC of changes in product and/or process definition, ownership, quality management system and obtain EC's written approval for the same. If applicable, seller shall flowdown to sub-tier suppliers all applicable requirements in the purchase order, including without limitation key characteristics where applicable.

6. Warranty. All Products sold and delivered to EC by Seller shall be in full conformity with EC's specifications set forth or referred to in a purchase order or, if none are set forth or referred to in the purchase order, in conformity with Seller's published specifications and samples provided to EC. All Products sold and delivered to EC will be new, fit and sufficient for the use intended by EC, merchantable, of good quality and workmanship and free from defects. The foregoing warranty shall survive any acceptance of the Products by EC and shall be in addition to any warranty expressly furnished or represented to EC by Seller.

7. Price, Invoice and Payment Terms. The Product price sold hereunder shall not be higher than that appearing on the face of this purchase order, or if no price appears thereon, then not higher than the last price quoted by Seller. An invoice, specifying the order number, shall be issued in duplicate immediately and delivered to EC upon shipment by Seller. Late submission of invoice will delay payment accordingly. EC standard payment terms: On the 1st day of the month for deliveries accepted from the 1st to the 15th of the previous month. On the 15th day of the month for deliveries accepted from the 16th to the last day of the previous month. Wherever payment is made to Seller 15 days or less from the date of acceptance, a three (3 %) percent early payment discount shall be deducted by EC. EC shall be deemed to have been made when the full amount due has been given to its Bank for wire transfer or has been duly deposited in the mail with first class postage prepaid.

8. Product Inspection and Defects. All Products delivered hereunder shall be subject to final inspection and acceptance by EC at its facility notwithstanding prior payment or inspection by Seller. Acceptance of Products shall not alter or affect the warranties of Seller referenced above. EC may, at its option, either hold rejected Products for Seller's instructions and at Seller's risk, or return them to Seller at Seller's expense and require their correction, and Seller shall promptly reimburse EC for any and all compensatory and consequential damages sustained by EC as a result of failure of Products to conform to the provisions and specifications set forth in the purchase order. EC's claim of defect shall be deemed timely if such claim is asserted not later than four (4) weeks from the date of delivery or, in the case of hidden or latent defects, not later than two (2) weeks from discovery.

9. Cancellation. EC reserves the right to cancel a purchase order or any part thereof, or terminate the Agreement, and EC's sole responsibility to Seller shall be to pay the agreed price for such Products as have been delivered and accepted by EC as of the time of notice of cancellation by EC and to reimburse to Seller its actual costs of materials and compensatory labor expended by it in reasonable anticipation of its fulfillment of the Agreement which are not recoverable by Seller, provided that Seller shall deliver to EC all Products for which Seller's costs have been reimbursed and provided that no allowance shall be made to Seller for any overhead or anticipated profit. In no event shall EC's liability to Seller exceed the price for the Products as set forth in the purchase order.

10. Excusable Failure or Delay. Neither EC nor Seller shall be held responsible for the failure or delay in delivery or acceptance of Products where such failure or delay is attributable to any act of God or of the public enemy, war, compliance with laws, governmental acts or regulations not in effect as of the date of the purchase order, fire, flood, quarantine, embargo, epidemic, unusually severe weather or other causes similar to the foregoing beyond the reasonable control of the party so affected. The party seeking to avail itself of any of the foregoing excuses must promptly notify the other party of the reasons for the failure or delay in delivery or acceptance and shall exert its best efforts to avoid additional failure or further delay. In every event where the Products are not timely delivered by Seller, Seller shall promptly return to EC all sums paid for undelivered Products.

11. No Assignment. Neither the purchase order, the Agreement, nor any right or obligation of Seller may be assigned or delegated by Seller to any other party without the prior written consent of EC. Seller is not permitted to engage subcontractors in connection with the performance of its obligations to EC without the prior written consent of EC.

12. Independent Contractor. Nothing in the purchase order or these Conditions of Purchase is intended to, or does, create any joint venture, partnership, agency or similar relationship between EC and Seller, other than a buyer and seller relationship. Seller shall not represent itself as an agent or representative of EC for any purposes.

13. Waiver. EC's failure to insist in any one or more instance of non-performance or non-compliance by Seller shall not be construed as a waiver of any right or remedy available to EC for subsequent non-performance or non-compliance by Seller. No part of these Conditions of Purchase or any purchase order shall be construed against EC by reason of it being the drafter thereof.

14. Governing Law. These Conditions of Purchase, all purchase orders and all matters between EC and Seller shall be governed exclusively by the laws of the Commonwealth of Virginia without regard to conflict of laws principles. Any dispute, claim, or controversy between EC and Seller that cannot be resolved through good faith negotiations shall be exclusively adjudicated in the Circuit Court of Culpeper County, Virginia, USA, and Seller hereby waives any objection (on the grounds of lack of jurisdiction or forum non conveniens, or otherwise) to the exercise of jurisdiction by such court.

15. Indemnification. Seller will defend, indemnify and hold harmless EC and its customers from and against any and all costs, expenses (including reasonable attorneys' fees), demands, claims, suits, actions, causes of action, damages, penalties, judgments or liabilities of any nature relating to or in connection with the Products or any act or omission of Seller, including without limitation any third party claims of work product infringement or infringement of patent, copyright, trade mark, service mark, trade secret or any other intellectual property right relating to the Products Seller delivers to EC and compensatory or consequential damages caused by any Products delivered by Seller that fail to conform to the warranty set forth herein or otherwise implied by applicable law.