Tesla Motors, Inc. General Terms and Conditions for Raw Materials

These General Terms and Conditions for Raw Materials (together with all exhibits, schedules or attachments hereto and all requirements and Specifications referenced herein, the "General Terms") are entered into as of the date last signed below (the "Effective Date") by and between Tesla Motors, Inc., a Delaware corporation with offices at 3500 Deer Creek Road, Palo Alto, California, 94304 ("Tesla") and the company identified below ("Seller"). Tesla and Seller are each referred to herein as a "Party" and collectively referred to herein as the "Parties."

PURPOSE

Tesla desires to engage Seller to develop and supply materials for use in Tesla Products. These General Terms shall govern the relationship of the Parties.

1. The Contract.

1.1 *Offers.*

(a) Forecasts. Tesla will provide to Seller a rolling six-month forecast of Tesla's anticipated requirements for each Good which is subject to a Contract (the "Forecast"), which Tesla may update at any time. Except for Goods within the Lead Time or as expressly agreed otherwise in a Contract (defined below), quantities listed in the Forecast are non-binding and for planning purposes only. Tesla may adjust the Forecast, up or down, by giving written notice to Seller in accordance. If Tesla does not place Orders for the Goods to be delivered within the applicable Lead Time or cancels an Order for Goods that are within the Lead Time, Tesla shall reimburse Seller's actual and reasonable costs for conforming and non-defective raw materials which (i) were purchased by Seller within the standard lead time for such materials in order to manufacture such Goods in accordance with the Forecast, and (ii) cannot be returned for a refund or credit or used for or sold to any of Seller's other customers.

(b) Purchase Orders Generally. Tesla and/or its Subsidiaries may issue to Seller a purchase order for Tesla's anticipated needs for: (i) Goods over the next twelve (12) calendar months or such other period as Tesla shall determine from time to time (such purchase order to be referred to as a "Production PO"), and/or (ii) other Goods (such purchase order to be referred to as a "Discrete PO").

(c) Effect of Production POs. Quantities referenced in any Production PO represent Tesla's estimate of its anticipated needs for such Goods during the timeframe referenced in such Production PO and are provided for Seller's planning purposes only. Tesla's liability for purchase of quantities referenced in such Production POs is limited as set forth in Section 1.4 and elsewhere in these General Terms. By accepting a Production PO, Seller agrees it is willing and able to provide all quantities referenced in such Production PO and/or the corresponding production pricing agreement during the period referenced therein.

(d) Order Process Under Production POs. Authorized Purchasers may issue Releases against a Production PO to Seller, specifying quantities and delivery dates for Goods referenced in such Purchase Order. Each Release may be issued on a rolling basis. Each Release is binding to the extent set forth in Section 1.4.

1.2 *Acceptance*.

(a) Purchase Orders. Seller will respond within fifteen (15) business days accepting or rejecting any Purchase Order. If Seller cannot meet the terms set forth in a Purchase Order, Seller will inform Tesla and propose alternative terms. If Tesla accepts such alternative terms, Tesla shall issue a revised Purchase Order that includes such alternative terms. Alternative terms are expressly rejected unless incorporated into a Purchase Order. Seller will be deemed to have accepted the Purchase Order if Seller: (a) provides written acceptance (which acceptance may occur via an electronic data interface); (b) fails to object within fifteen (15) business days; or (c) commences or continues delivery of Goods referenced in the Purchase Order (any of the foregoing in Subsections (a), (b), or (c) will be deemed an "Acceptance").

(b) Releases. Seller shall accept, and shall not reject, each Release to the extent it conforms to these General Terms and the Production PO. Seller will be deemed to have waived these objections and accepted a Release if: (i) Seller fails to object to the Release in writing within two (2) business days after receipt thereof; or (ii) automatically without a response if the Release is consistent with the then-current Forecast. If Seller cannot deliver by the date(s) specified in the Release, Seller shall immediately propose a revised date that is at or before the Lead Time from the date of the Release.

1.3 *Terms of the Contract*. Upon Seller's Acceptance, the terms of the relevant Purchase Order, together with the terms in the other Contract Documents, will become a binding contract between Tesla and Seller (collectively, the "Contract"). Acceptance is expressly limited to the terms provided by the Contract. Terms in any invoice and any other modifications, counterproposals, or counteroffers proposed by Seller to a Purchase Order or Release are expressly rejected and shall not become part of the Contract.

1.4 *Purchase Order/Release Liability.*

(a) Discrete POs. Subject to Tesla's obligations in this section, Tesla may at any time cancel all or any part of a Discrete PO. Upon any such cancellation, Seller will, to the extent and at the times specified by Tesla, stop all work pertaining to the cancelled portion of the Discrete PO, incur no further costs, and protect all property in which Tesla has or may acquire an interest. Tesla will not be responsible for any costs in connection with a cancelled Discrete PO except for payment of: (i) the portion of the Goods delivered prior to notice of the cancellation provided that such Goods meet all of the Specifications and requirements of the Contract; (ii) raw materials and components (if any) that were purchased by Seller in order to meet the requirements of the Discrete PO and that: (A) met all of the relevant Specifications under the Contract; (B) were ordered no earlier than applicable Lead Times of the materials and components in order to meet the delivery dates specified in the Discrete PO; and (C) could not be returned for a refund or credit or used for or sold to any of Seller's other customers.

(b) Production Purchases; Releases. An Authorized Purchaser may reschedule or cancel all or any portion of any Release issued by such Authorized Purchaser upon written notice. Such written notice may occur via an electronic data interface system. Subject to Section 1.1(a) (Forecasts) with respect to Goods that are within the applicable Lead Time, the Authorized Purchaser's only liability for rescheduling or cancelling any Release shall be to pay (as provided for herein) for Goods that are to be delivered under the Release within the applicable Lead Time for such Goods.

(c) Purchase Order Disclaimer. TESLA MAKES NO WARRANTIES REGARDING THE QUANTITY OF GOODS THAT IT OR ANY OTHER AUTHORIZED PURCHASERS WILL ORDER, IF ANY. QUANTITIES REFERENCED IN A PURCHASE ORDER OR RELEASE OR IN DISCUSSIONS ARE NON-BINDING, EXCEPT TO THE EXTENT PROVIDED IN SECTION 1.1(a) (FORECASTS) OR THIS SECTION 1.4 OR AS EXPRESSLY REQUIRED UNDER A PRODUCTION PRICING AGREEMENT SIGNED BY BOTH PARTIES.

1.5 *Changes.*

(a) Seller will not make any change to the Goods, its manufacturing process or its suppliers except at Tesla's written instruction or with Tesla's written approval. If Seller learns of a possible change that may improve quality or otherwise be beneficial to Tesla, Seller will inform Tesla of the possible change. The cost and timing for Goods may not change without Tesla's express prior written consent.

(b) Tesla reserves the right to change the packaging, testing requirements, shipping date, or time or place of delivery. If a change is requested or approved by Tesla, Seller shall notify Tesla in writing within five (5) business days of such request or approval and prior to making the change if such change will affect cost or timing and provide the basis for such determination; provided, however, that Seller agrees to hold Goods for Tesla for up to four (4) weeks at no additional charge if and to the extent requested by Tesla in connection with Tesla's rescheduling or cancellation of a Purchase

Order and/or Release therefor. Subject to the foregoing, Tesla and Seller will negotiate in good faith an equitable price adjustment (up or down) or other appropriate adjustment for a change.

2. Goods.

2.1 *Quantity.* Quantities and delivery dates shall be as stated in the applicable Purchase Order or Release, unless otherwise agreed in the Contract or in writing by the Parties pursuant to Section 1.5 above.

2.2 *Shortage of Supply.* If Seller has reason to believe that its ability to deliver any Goods is or may be constrained, Seller shall immediately notify Tesla setting forth the cause for the anticipated delay and use best efforts to resolve the issue causing the constraint. Any oral communication shall be immediately confirmed in writing. During the period of any delay, Seller shall fulfill Releases prior to fulfilling orders for the same or similar Goods for any of Seller's other customers for the period in which Seller's production is constrained, using existing on-hand stock and Seller's actual output. The provisions of this Section 2.2 are in addition to Seller's other obligations under the Contract and Tesla's other rights and remedies provided at law, in equity and in the Contract.

2.3 *Safety Stock*. Seller will build and maintain at all times during the Contract a safety stock of Goods at an agreed location at no additional charge to Tesla that consists of a quantity sufficient to meet at least four (4) weeks of forecast deliveries under the Contract, unless otherwise agreed in the Contract or in writing by the Parties (the "Safety Stock"). Seller will retain title to, and Tesla will not have any obligations for, the Safety Stock until delivered in accordance with the Contract. Without Tesla's prior written consent, which Tesla may withhold in its sole discretion, Seller may not sell, transfer, encumber or use the Safety Stock for any purpose other than to meet Seller's obligations under the Contract.

2.4 *Consignment or Resale of Goods*.

(a) Tesla may, in its sole discretion, consign or sell Goods to cathode manufacturers or other suppliers worldwide as material to be used in batteries made for or by Tesla and/or any of Tesla's Subsidiaries.

(b) Tesla may also resell Goods to one or more unaffiliated third parties at market prices; provided, however, that Tesla may only sell Goods purchased hereunder to an unaffiliated third party if and to the extent that Tesla first offers to sell such Goods to Seller at the original price paid by Tesla for such Goods and Seller does not purchase the Goods within ten (10) business days after receipt of Tesla's offer.

3. Delivery.

3.1 *Packing and Shipment.* Tesla may specify the method of transportation and the type and number of packing slips and other documents to be provided with each shipment. Seller will pack and ship Goods in accordance with Tesla's instructions, including labeling and hazardous materials instructions. If Tesla has not provided packing or shipping instructions, Seller will pack and ship Goods in accordance with industry standards. If Seller uses returnable packaging, they will be responsible for transportation as well as cleaning and maintaining such returnable packaging before using such packaging for shipment of Goods.

3.2 *Delivery Terms.* Seller will deliver Goods in strict accordance with the Contract terms. Unless otherwise stated in the Contract, Goods will be delivered DAP (Incoterms 2010) Tesla's designated manufacturing facility and title will transfer upon receipt of the Goods by Tesla at the designated manufacturing facility.

3.3 *Time, Quantity and Quality are of the Essence.*

(a) TIME, QUANTITY AND QUALITY ARE OF THE ESSENCE AS TO ALL GOODS. If Seller is late in delivery of any Goods, or if Seller cannot deliver the full quantities of Goods required under the Contract, or if Seller cannot meet the quality requirements under the Contract, Seller shall be in Default under the Contract.

(b) In addition to any other obligations of Seller under the Contract, if Seller cannot meet the delivery dates, quantities or quality requirements specified in the Contract, Seller will promptly notify Tesla and the Authorized Purchaser and the Authorized Purchaser may, at its option: (i) cancel all or any portion of the Purchase Order or Release, as applicable, without liability to Seller and recover then-accrued liquidated damages in accordance with the following, if any; (ii) require Seller to deliver the Goods using priority freight delivery with incremental freight charges at Seller's expense; and/or (iii) promptly pay liquidated damages in compensation for the adverse impact of delayed shipments on Tesla's business and operations in an amount equal to the following percentages of the agreed price for the affected Goods: (A) three percent (3%) if Seller ships the Goods late but within 30 days after the date required under the Contract; (B) five percent (5%) if Seller ships the Goods late by more than 30 days but less than 90 days after the date required under the Contract; or (C) ten percent (10%) if Seller ships the Goods late by 90 days or more after the date required under the Contract.

(c) If the provisions in clauses (i), (ii), and (iii) of Section 3.3(b), alone or together, are insufficient to meet such Authorized Purchaser's requirements, the Authorized Purchaser may: (i) purchase substitute goods and hold Seller accountable for the difference between the price of the Goods and the price paid by the Authorized Purchaser for substitute goods, if higher, including amounts charged for shipping, insurance, handling, and any taxes or duties; and/or (ii) exercise the rights set forth in Section 2-716 of the Uniform Commercial Code or as otherwise available at law or in equity. Authorized Purchasers may return over-shipments to Seller at Seller's expense.

(d) The provisions of this Section 3.3 are in addition to Seller's other obligations under the Contract and Tesla's other rights and remedies provided at law, in equity and in the Contract.

4. Payment.

4.1 *Price.* The purchase price is: (a) stated in the Purchase Order and, unless expressly agreed otherwise in writing, a firm fixed price for the duration of the Contract which is not subject to increase for any reason, including increased raw material costs, increased labor or other manufacturing costs, increased development costs, or changes in volumes or program length from those estimated or expected; (b) inclusive of those taxes, if any, applicable pursuant to Section 4.5 and any duties applicable to provision of the Goods; and (c) inclusive of all storage, handling, packaging, labeling, shipping and all other expenses and charges, and any charge for non-returnable packaging will be deducted from the purchase price if Tesla elects to use and invest in returnable packaging pursuant to Section 1.5(b).

4.2 *Invoices.* Invoices will only be issued on or after delivery of the Goods to the delivery location designated by the Authorized Purchaser and payment will be deemed to occur upon mailing of a check, wire transfer or commencement of other means of payment to Seller. All invoices will be issued in local currency, in strict compliance with the pricing in the Purchase Order, and in compliance with applicable tax requirements. Seller will, at its expense, comply with Tesla's instructions and policies with respect to the form, content and method for submission of invoices.

4.3 *Payment Terms.* Except as otherwise provided in the Purchase Order, the Authorized Purchaser will pay Seller's charges within forty-five (45) days after receipt of Seller's invoice; provided, however, that (a) the Authorized Purchaser may withhold payment of any invoiced charges that it disputes in good faith; (b) payment of any charges shall not be deemed an approval of such charges or acceptance of non-conforming Goods, and the Authorized Purchaser may later dispute such charges; (c) payment of charges shall not relieve Seller of any of its warranties or other obligations under the Contract, or limit or affect any rights or remedies of Authorized Purchasers; and (d) if the payment date is not a business day, payment will be due the next business day thereafter. If an Authorized Purchaser other than Tesla fails to pay amounts due pursuant to a Release issued by such entity by the applicable payment date, Seller shall notify Tesla that such payment is past due, re-issue the unpaid invoice to Tesla in Tesla's name, and Tesla will make such payment within ten (10) business days after receipt of Seller's new invoice.

4.4 *Set Off.* In addition to any right of setoff or recoupment provided by law or in equity, Tesla will be entitled at any time to set off or recoup against sums payable by Tesla to Seller and/or Seller's Subsidiaries any amounts for which Tesla determines in good faith Seller and/or Seller's Subsidiaries is liable to Tesla. Tesla will consult with Seller prior to any such set off or recoupment.

4.5 *Taxes*. Unless otherwise stated in the Contract, the Contract price includes all applicable federal, state, provincial, and local taxes other than sales, value added, or similar turnover taxes or charges. The Goods purchased from Seller are for resale, and Seller will not charge sales, use, or similar taxes on its invoices to Tesla if Tesla has provided Seller a valid resale/exemption certificate. If Seller is required by law to pay or collect from Tesla any taxes or charges, Seller will separately invoice Tesla for such taxes or charges subject to Section 16 (Credits; Customs). Each Party shall be responsible for any taxes on property it owns or leases, for franchise and privilege taxes on its business, for taxes based on its net income or gross receipts, and for employer-related taxes with respect to its personnel.

5. Quality.

5.1 *Quality Requirements*.

(a) Seller will provide all Goods in accordance with: (i) the requirements set forth in the Tesla Motors Supplier Handbook; (ii) the most current Specifications; (iii) all applicable supplier quality and development process program requirements, quality control and safety standards, and procedures and inspection systems; and (iv) each of the following, as amended from time to time: (A) Global Automotive Declarable Substance List ("GADSL"); (B) European Union Restriction on the Use of Certain Hazardous Substances, Directive 2002/95/EC ("RoHS"); (C) California Transparency in Supply Chains Act of 2010; and (D) Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (commonly referred to as the conflict minerals provision). Without limiting the foregoing, Seller shall provide an accurate and complete International Material Data System ("IMDS") submission for each non-prototype Good and, as requested by Tesla, information regarding the origin of all materials in each Good. Seller shall also disclose information regarding its suppliers and sub-suppliers as reasonably requested by Tesla.

(b) Seller understands that the Goods will be used in or in conjunction with automotive products and Seller agrees to meet the full requirements of industry Production Part Approval Processes ("PPAP") for all Goods.

(c) Level 3 or 4 PPAP (as specified by Tesla) is required for all Goods unless the Goods are interim or prototype, in which case, and in lieu of a Level 3 or 4 submission, (A) 100% inspection of all Goods, material certifications for each Goods, and a control plan is required in advance of every shipment to Tesla, and (B) failure to supply this information will result in the rejection of Seller's Goods.

(d) PPAP requirements apply to first shipments of new production parts. If Seller has obtained PPAP approval from Tesla, no further PPAP submissions are necessary unless there is a: (i) production facility or tooling move; (ii) change of any supplier, design (by Tesla or Seller), manufacturing facility, or Tooling; and/or (iii) change of any manufacturing process.

(e) If there is a conflict between any part of the programs, requirements and/or standards referenced in this Section and an express provision of these General Terms, the provisions that require higher quality standards shall control. To the extent any such standards, policies or systems are amended, supplemented and/or replaced, Seller's obligations under the Contract will be automatically amended to conform to such amended standards, policies or systems and Seller will comply with such amended obligations, subject to the provisions set forth under Section 1.5.

5.2 *Inspections.* Tesla or its designated third party may, at any time, inspect Seller's facilities and interview Seller Personnel to verify, validate and monitor compliance with Specifications and the Contract, including inspection of work in progress or completed prototype or production Goods, development and manufacturing processes, working conditions, and on-site living conditions, as applicable. Seller will ensure that Seller Personnel who are knowledgeable of the relevant facilities attend such inspections.

6. Representations and Warranties.

6.1 *Seller's Representations and Warranties*.

(a) Goods. Seller, on behalf of itself and its suppliers, represents and warrants to Tesla, the Authorized Purchasers, and their respective customers, successors and assigns that:

(i) upon delivery, the Good(s) will be new and conform to the Contract in all respects;

(ii) the Good(s) will be free and clear of any and all liens and encumbrances of any nature, with title vesting in Tesla and/or the Authorized Purchaser (as applicable) in accordance with the preceding;

(iii) during the Warranty Period, the Good(s) will conform to all drawings, PPAP submissions (including certification data regarding the Products), samples and other descriptions furnished or relied upon by Tesla or otherwise part of the Contract;

(iv) during the Warranty Period, the Good(s) will be fit for the purpose for which they are intended and safe for any use that is consistent with the applicable Specifications or that is reasonably foreseeable;

(v) during the Warranty Period, the Good(s) and packaging will conform to the applicable Specifications;

(vi) during the Warranty Period, the Good(s) will be merchantable, free from all defects in design, workmanship and materials, and of highest quality and workmanship;

(vii) during the Warranty Period, the Good(s) will conform to all applicable Laws of the In-Scope Countries, including as applicable the National Traffic and Motor Vehicle Safety Act, United States motor vehicle safety standards, and European Union Directive 2000/53/EC (End of Life Vehicles); and

(viii) the Good(s) will not infringe any Intellectual Property Right of any third party.

(b) General. Seller represents and warrants that:

(i) Seller will perform all of its obligations under the Contract in a professional and workmanlike manner, in accordance with industry standards and all of the terms of the Contract;

(ii) Seller has the right and ability to enter into, perform the obligations under and agree to the covenants contained in the Contract;

(iii) To the extent that Goods will be imported into the country of delivery by Seller, Seller represents and warrants that: (A) it will complete Tesla's supply chain security assessment via Tesla's Supplier Portal at least once per calendar year and as requested by Tesla, and (B) either: (1) it is certified under the applicable trade security program by the applicable authorities in the country of delivery (e.g., Customs-Trade Partnership Against Terrorism or "C-TPAT"-certified by U.S. Customs & Border Protection for deliveries into the United States) (as applicable, the "Trade Security Program"), and will maintain that certification throughout the term of the Contract; or (2) it will comply with the applicable Trade Security Program(s) (including, as applicable, the C-TPAT security procedures that may be found on the customs website at www.cbp.gov)).

(c) Debarment. Seller represents and warrants that: (i) for the full term of the Contract, it shall not be debarred, suspended, excluded or disqualified from doing business with the United States Government, or listed on the Excluded Parties List System maintained by the General Services Administration of the United States Government (found at www.epls.gov); (ii) Seller and each person or entity owning an interest in Seller shall not be at any time during the term of the Contract, and has never been, a Person with which U.S. Persons are prohibited from transacting business of the type contemplated by the Contract or with which U.S. Persons must either limit their interactions to types approved by the Office of Foreign Assets Control, Department of the Treasury ("OFAC"), whether by Law, executive order, trade embargo, economic sanction, lists published by OFAC, or otherwise (such Persons are "Specially Designated Nationals and Blocked Persons"); (iii) none of the funds or other assets of Seller constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person; (iv) no Embargoed Person has any interest of any nature, direct or indirect, in Seller; (v) none of the funds of Seller have been derived from any unlawful activity with the result that either business with Seller is prohibited by Law or the Contract is in violation of Law; (vi) Seller has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times; (vii) Seller will not use funds from any "Prohibited Person" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Tesla, and take such measures as are necessary to ensure that any funds used to pay amounts due to Tesla hereunder are derived (A) from transactions that do not violate United States Law nor, to the extent such funds originate outside the United States, do not violate the Laws of the jurisdiction in which they originated, and (B) from permissible sources under United States Law and, to the extent such funds originate outside the United States, under the Laws of the jurisdiction in which they originated; and (viii) Seller: (A) is not under investigation by any governmental authority for, nor has it been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti-Money Laundering Laws (as hereinafter defined); (B) has not been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (C) has not had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws. Seller agrees to immediately notify Tesla in writing in the event Seller breaches any of the preceding representations and warranties or has reason to believe that it will become in breach of any of the preceding representations and warranties. Breach of any representation or warranty under this Subsection shall be deemed a Default under the Contract for which Tesla may immediately terminate the Contract without being required to provide notice or permit Seller to cure such Default.

(d) Future Performance. All representations and warranties of Seller extend to future performance of the Goods and are not modified, waived or discharged by delivery, inspection, tests, acceptance or payment. Tesla's approval of any design, drawing, material, process or specifications will not relieve Seller of these representations and warranties.

(e) Other Warranties. The warranties set forth herein are in addition to any warranties express or implied by law or equity or otherwise made by Seller.

(f) Application of Warranties. Seller agrees that the warranties referenced herein extend to all Goods notwithstanding the fact that such Goods may be produced in whole or in part by any of Seller's own suppliers and that such warranties shall not be disclaimed or otherwise limited in any way due to the fact that any Goods have been produced by Seller's suppliers.

(g) Notice. Seller agrees to immediately notify Tesla in writing in the event Seller breaches or has reason to believe that it will or is reasonably likely to breach of any of its representations or warranties under the Contract.

6.2 *Rejection.* If an Authorized Purchaser rejects Goods as defective or non-conforming, the quantities under the Purchase Order or Release will be reduced by the number of Goods rejected by such Authorized Purchaser unless the Authorized Purchaser otherwise notifies Seller, and Seller will not replace reduced quantities without a new Purchase Order or Release from such Authorized Purchaser. Following rejection, Seller will, without prejudice to any other right or remedy of Tesla, at Tesla's sole discretion and at Seller's sole expense:

(a) accept return of the Goods at full invoice price, plus transportation charges; and/or
(b) provide replacement conforming Goods within twenty-four (24) hours if and to the extent that the volumes of such Goods can be provided from the Safety Stock or within ten (10) business days if and

to the extent that the volumes of such Goods cannot be provided from the Safety Stock, in each case after receipt of a Purchase Order or Release for replacement Goods; and/or

(c) repair or retrofit (at any time prior to shipment from Tesla) Goods so that they are non-defective and conform to the requirements of the Contract.

6.3 *Corrective Action.* Seller will immediately notify Tesla in writing when it becomes aware of any ingredient, component, design or defect in the Goods that is or may become harmful to persons or property or fails to meet the Specifications or other requirements of the Contract. Promptly upon learning of defective or non-conforming Goods, and in addition to complying with Section 6.2 above, Seller will develop, document and implement corrective actions in accordance with all applicable quality control policies and standards of Tesla, including by: (a) promptly investigating and reporting on the root cause of the problem; (b) remedying the cause of the problem and resume performance in accordance with the Contract; (c) implementing and notifying Tesla of measures taken by Seller to prevent recurrences if the problem is otherwise likely to recur; and (d) making written recommendations to Tesla for improvements in procedures.

6.4 The provisions of this Section 6 are in addition to all of Seller's other obligations under the Contract and all of Tesla's other rights and remedies provided at law, in equity and in the Contract.

7. Tesla Losses. For any breach of a Contract by Seller (such as Seller's failure to deliver conforming and non-defective Goods or to comply with the shipping and delivery or other material requirements of Tesla), Seller shall only be liable to Tesla for direct damages caused by Seller's breach, incidental damages incurred by Tesla as a result of such breach, other damages that were reasonably foreseeable at the time of the breach as a result of such breach, and costs and expenses incurred by Tesla in connection with the foregoing types of damages. This may include the following: (a) costs of containment, sorting, repair, replacement, cure, cover, or other costs incurred by Tesla; and (b) costs of any recall campaign, corrective service action, or other voluntary or involuntary action in which Tesla or any Tesla customer participates to the extent related to the Goods. In no event will Seller be liable for punitive, remote or speculative damages in connection with breach of a Contract. Tesla will use Commercially Reasonable Efforts to mitigate the damages incurred in connection with any breach by Seller.

8. Third-Party Claims.

8.1 *Indemnification.* Seller agrees to indemnify, defend and hold harmless Tesla, its Authorized Purchasers, Subsidiaries, and distributors, and their respective directors, officers, employers, agents, successors and assigns (collectively "Indemnified Parties") from and against any and all costs, fees, penalties, expenses, damages, attorneys' fees and all other liabilities whatsoever ("Losses"), arising out of any Claim against any Indemnified Party which arises from or relates to any of the following:

(a) noncompliance or breach of any representation, warranty or obligation under the Contract;

(b) recall campaign, service campaign, corrective action, or other voluntary or involuntary action or effort in which Tesla participates with respect to the Goods or, to the extent caused by the Goods, products into which the Goods are incorporated;

(c) spill, discharge or emission of hazardous wastes or substances which is caused, in whole or in part, by Seller and/or one or more of the Goods;

(d) infringement or misappropriation of any Intellectual Property Right relating to Goods or any portion thereof, on its own or in combination with other goods or services;

(e) damages to property or personal injuries to the extent arising from or in connection with Seller's work on Tesla's premises;

(f) challenge to Tesla's sole right, title and interest in Goods brought by any third party, including toolmakers, subcontractors, and lending institutions; or

(g) Claim by, on behalf of, or related to Seller Personnel (and for purposes of this Subsection, Seller hereby waives any immunity provided by applicable workers' compensation or similar Laws).

8.2 *Tesla Participation.* If Seller is obligated to indemnify under this Section 8, then Tesla may at its option participate in the defense of any claim with its own counsel.

8.3 *Limitations.* To the maximum extent permitted by applicable law, Seller's obligation under this Section 8 will apply even if an Indemnified Party's conduct has contributed to the Losses, but Seller's indemnification will not apply to the extent that Losses were solely and directly caused by the gross negligence or willful misconduct of such Indemnified Party. Seller's obligation to defend and indemnify under this Section 8 will also apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise.

8.4 *Indemnification Procedures*. Tesla will give Seller prompt written notice of any Claim for which indemnification is sought under this Section 8 (Third Party Claims). Failure to give notice will not diminish Seller's obligation under this Section if Seller has or receives knowledge of the existence of such Claim by any other means or if the failure does not materially prejudice Seller's ability to defend the Claim. Seller may select legal counsel to represent the Indemnified Parties (said counsel to be reasonably satisfactory to Tesla) and otherwise control the defense of such Claim. If Seller elects to control the defense of such Claim, Tesla may participate in the defense at its own expense. If Seller, within a reasonable time after receipt of such notice, fails to defend the Indemnified Parties, Tesla may undertake the defense of and compromise or settle the Claim on behalf and at the risk of Seller. If the Claim is one that cannot by its nature be defended solely by Seller, then Tesla will make available information and assistance as Seller may reasonably request, at Seller's expense. Seller may not, without the prior written consent of Tesla, (a) consent to the entry of any judgment or enter into any settlement that provides for injunctive or other non-monetary relief affecting any Indemnified Party, or (b) consent to the entry of any judgment or enter into any settlement unless such judgment or settlement provides for an unconditional and full release of the Indemnified Parties and does not diminish any of Tesla's rights under these General Terms and/or any Contract or result in additional fees or charges to Tesla.

8.5 *Infringement Claims*. If any Good and/or any aspect of the manufacturing process therefor becomes, or in Seller's reasonable opinion is likely to become, the subject of an infringement or misappropriation Claim for reasons other than an Intellectual Property Right of Tesla, Seller will promptly notify Tesla (the "Infringement Notice") and, at Seller's expense and in addition to indemnifying Tesla Indemnitees as provided in this Section 8 (Indemnification) and to the other rights Tesla may have under these General Terms: (a) promptly at Seller's expense secure the right to continue manufacturing and selling the Good; or (b) if the foregoing cannot be accomplished by Seller with Commercially Reasonable Efforts, then, no earlier than 120 days after the date of the Infringement Notice, Seller may stop selling the affected Good to Tesla. During the foregoing 120-day period of time and unless prohibited by Law, Seller shall not suspend delivery of the affected Good under Contracts with any Authorized Purchaser and Seller shall not increase the prices charged therefor as the direct result of such infringement or misappropriation Claim. If Seller chooses to stop selling any such Good and Seller is not otherwise prohibited by Law from selling the Good, Seller will be deemed to be in Default and Tesla may exercise its termination and other rights and remedies.

9. Compliance with Laws. Seller shall, at its cost and expense, obtain and maintain all necessary regulatory approvals, licenses, permits, and mineral, mining and similar rights (collectively, "Permits") applicable to its business and comply with all Laws applicable to its business or the performance of its obligations under each Contract, as such Laws may be enacted and/or revised from time to time, including all Laws pertaining to: (a) manufacture, sale, delivery, and/or use of the Goods; (b) occupational safety and health; (c) protection of persons and property from death, injury or damage; (d) labor and employment, including equal employment opportunity; (e) tax; (f) export control; (g) the environment and the use, handling, storage, labeling, and disposal of toxic or hazardous materials; (h) Anti-Bribery Laws; and (i) money laundering, anti-terrorism, trade embargos, and economic sanctions. Upon request, Seller will provide Tesla with evidence of such compliance and all information reasonably required for Tesla to comply with any applicable Laws. Seller will provide Tesla with accurate material safety data sheets regarding the Goods. To the extent not prohibited by Law, Seller will promptly notify Tesla in writing of any investigation or inquiry into whether Seller (or any of its subcontractors) is charged with failing to comply with any Laws that will or may impact, or are otherwise applicable to, one or more Goods and/or Seller's performance under any Contract.

10. <u>Property & Capital Transactions</u>.

10.1 *Operations and Maintenance*. Seller will: (i) at its expense obtain and maintain all the tooling, jigs, dies, gauges, fixtures, molds, patterns, other equipment (collectively, the "<u>Tooling</u>"), as well as the supplies, materials, equipment, facilities, and other property and resources used by Seller to manufacture, store, and transport Goods for Tesla (such Tooling, supplies, materials and other property shall collectively be referred to as the "<u>Property</u>") in good condition and repair, normal wear and tear excepted; and (ii) furnish, maintain in good condition and replace when necessary Property needed to perform Seller's obligations under the Contract.

10.2 *Additional Responsibilities Regarding Tooling*. If Seller is responsible for fabricating or acquiring Tooling, such Tooling will: (i) comply with all Specifications; and (ii) be capable of producing Goods that conform to the terms of the Contract, including meeting any volume requirements or estimates provided to Seller. Seller will provide progress reports upon Tesla's request and will promptly notify Tesla in writing if it believes that the Tooling might not be completed by the completion date specified on the Purchase Order. The foregoing is in addition to Seller's other obligations and the Authorized Purchasers' other rights and remedies at law, in equity and in the Contract.

10.3 *Capital Transactions*.

(a) Throughout the GTC Term: (i) Tesla will be notified of any potential Capital Transaction including a description of the nature and terms and conditions of the potential Capital Transaction; (ii) Tesla will be offered a right to participate in any project construction funding up to 20% of the total Capital required. Tesla will be required to make a decision to exercise this right within 30 days of being notified of any committed project construction funding.

(b) In connection with the rights and obligations provided by paragraph 10.3(a) above, if Tesla exercises its right to participate in Construction Funding, the Parties shall negotiate and work in good faith to memorialize the terms and conditions of the Capital Transaction. Seller shall provide written notice to Tesla of any intent or desire by Seller to enter into or conduct a Capital Transaction. If Tesla waives in writing its right to participate with respect to such Capital Transaction, Seller shall be free to negotiate and enter into such Capital Transaction with a third party, subject to this Section 10.3. Tesla agrees to give notice to Seller in a timely manner as to whether Tesla will exercise the rights described in this Section.

(c) If Seller enters into a Capital Transaction with a Person other than Tesla whereby such Person will or is likely to acquire Control over Seller and/or any material portion of Seller's business, assets, and/or Permits (e.g. through a merger, consolidation, sale, investment, or any other mechanism), Seller shall, if and to the extent required by Tesla assign these General Terms and each Contract to such Person and, as a condition to close such Capital Transaction, require that Person to accept the assignment and agree in writing to fulfill Seller's obligations thereunder.

(d) "<u>Capital Transaction</u>" means (i) any merger, consolidation or other form of business combination with or involving Seller or any of its subsidiaries, (ii) the sale, license, disposition or acquisition of all or any material portion of the business or assets of Seller or any of its Subsidiaries, including the grant of any license to any intellectual property of Seller or any of its Subsidiaries (other than non-exclusive licenses to its clients in the ordinary course of business related to the sale of Seller's products and services and licenses granted to Tesla pursuant to the Strategic Agreement) and any transaction involving Seller's Permits such as mineral, mining, or similar rights, (iii) the issuance, grant, disposition or acquisition of any capital stock or other equity securities, or any option, call, warrant or right to acquire any capital stock or other equity securities, of Seller or any of its subsidiaries (other than (x) pursuant to the issuance of equity awards to employees of Seller pursuant to its existing equity incentive plans in the ordinary course of business consistent with past practices or (y) the repurchase or cancellation by Supplier of equity securities held by existing equity holders of Seller, not to exceed 20% in the aggregate of the outstanding equity of Seller), or (iv) a loan, refinancing, credit facility, advance, revolver, letter of credit or working capital loan, or similar transaction involving the incurrence of debt by Seller or extension of money, funds, and/or credit from any Person other than Tesla to Seller with the expectation of repayment, or any guarantees by Seller of any obligations pursuant to any type of transaction described by the foregoing.

11. Duration and Termination of the Contract.

11.1 *Duration.* These General Terms will come into effect as set forth in Section 1.3 and shall remain in effect until terminated under this Section 11 or by mutual written agreement of the Parties (such period is the "GTC Term"). Each Contract will begin on the date of Acceptance (per Section above) and remain in effect until terminated under this Section 11, termination by mutual written agreement of the Parties, or expiration upon the date specified (if any) in the applicable Purchase Order.

11.2 *Termination.* The Party who is not in Default may terminate the Contract: (a) immediately upon notice ("Notice of Termination") in the event of an incurable Default or in the event of a Default under Subsections 11.3(b), (e), (f), or (g); or (b) thirty (30) days following Notice of Termination if the defaulting Party fails to cure a Default under Subsections 11.3(a), (c), (d) or (h) within such 30-day period; or (c) immediately without Notice of Termination if Seller is in violation of Section 6.1(c) (Debarment). In addition, notwithstanding anything to the contrary contained in the NDA, if: (x) Seller provides to or files with any governmental authority or private regulatory body (a "Regulator") any Contract Document such that such Contract Document would become publicly available, (y) Tesla has requested that Seller redact, seek a protective order or otherwise seek confidential treatment for portions of such Contract Document that Tesla deems in good faith to be commercially or competitively sensitive to Tesla (the "Confidential Portions"), and (z) any of such Confidential Portions are subsequently made publicly available by Seller or the applicable Regulator, then Tesla may immediately terminate any or all effective Contract Documents. Neither Party may terminate or cancel the Contract for any reason except as provided in this Section 11.

11.3 *Events of Default.* Subject to Section 14, either Tesla or Seller will be in "Default" under the Contract if it: (a) fails to perform or breaches any obligation under the Contract; (b) repudiates or threatens to breach any of the terms of the Contract; (c) fails to deliver, or threatens not to deliver, Goods in connection with the Contract; (d) fails to meet reasonable quality requirements so as to endanger timely and proper performance of the Contract; (e) makes an assignment for the benefit of creditors in violation of the Contract, or proceedings in bankruptcy or insolvency are instituted by or against it; or (f) becomes a debtor in a bankruptcy, insolvency, receivership, or similar proceeding commenced by a third party that is not dismissed within thirty (30) days after commencement. In addition, Seller will be in Default if: (g) Seller fails to provide adequate assurance of performance under the Contract within ten (10) business days after written demand by Tesla; or (h) at any time in Tesla's reasonable judgment that Seller's financial or other condition or progress on the Contract will be such as to endanger timely performance.

11.4 *Obligations Following Termination.* Following Notice of Termination:

(a) Tesla will pay to Seller the following amounts, without duplication, in complete and final satisfaction of any and all liabilities relating to the Contract:

(i) The purchase price for all conforming Goods received by Tesla prior to Notice of Termination or delivered following Notice of Termination pursuant to this Subsection 11.4;

(ii) Unless Tesla has terminated for Seller's Default, any amounts owed for Transition Support; and

(iii) If and to the extent requested by Tesla and delivered by Seller pursuant to Section 11.4(b)(iii) below, raw materials and components (if any) that were purchased in order to meet the requirements of the first four (4) weeks of the relevant Release and such materials and components that: (A) meet all of the relevant Specifications; (B) were ordered no earlier than applicable Lead Times of the materials and components in order to meet the delivery dates specified in the Release; and (C) cannot be returned for a refund or credit or used for or sold to any of Seller's other customers.

(b) Seller will:

(i) immediately terminate all work under the Contract;

(ii) transfer title and deliver to Tesla all finished work completed prior to receipt of the Notice of Termination, including the Safety Stock (if any);

(iii) if and to the extent requested by Tesla, transfer title and deliver to Tesla all work in process which Seller produced pursuant to the Contract;

(iv) verify and settle all claims by subcontractors for actual costs that are rendered unrecoverable by such termination, provided Seller has taken possession or is certain it will take possession of the materials for which Seller has settled such claims;

(v) take actions reasonably necessary to protect property in Seller's possession in which Tesla has an interest until disposal instructions from Tesla have been received;

(vi) if and to the extent requested by Tesla, Seller shall transition supply to a successor supplier and fully cooperate in such transition, including the following (collectively, "Transition Support"):

(1) Seller will continue production and delivery of all Goods as ordered by Tesla, at the prices and other terms stated in the Contract, without premium or other condition, during the entire period reasonably needed by Tesla to complete the transition to the alternate supplier(s), such that Seller's action or inaction causes no interruption in Tesla's ability to obtain Goods as needed;

(2) at no cost to Tesla and subject to the NDA (defined below) with respect to any Seller Confidential Information, Seller will promptly provide all requested information and documentation regarding and access to Seller's manufacturing process used to make Goods, including on-site inspections, bill-of-material data, Tooling and process detail and samples of Goods and components;

(3) subject to Seller's actual capacity constraints, Seller will provide special overtime production, storage and/or management of extra inventory of Goods, extraordinary packaging and transportation and other special services as expressly requested by Tesla in writing, and Tesla's sole obligation for such support will be to pay the actual, reasonable, and incremental costs incurred by Seller therefor.

12. Confidential Information. Subject to the second sentence of Section 11.2: (a) Tesla's form of mutual non-disclosure agreement as of the Effective Date or, if applicable, the signed non-disclosure agreement then in effect between the Parties ("NDA") sets forth the Parties' respective confidentiality obligations hereunder; and (b) the NDA is hereby incorporated by reference in these General Terms, and the terms and conditions of the NDA will continue in force throughout the term of these General Terms and each Contract.

13. Assignment and Subcontracting.

13.1 These General Terms and each Contract are issued to the Seller, in reliance upon its personal performance of the duties imposed. Without prior written consent of Tesla, Seller may not assign these General Terms or any Contract or subcontract or delegate the performance of its duties thereunder, and any attempt to do so shall be void. Any subcontracting, assignment or delegation does not relieve Seller of any responsibility under the Contract, and Seller shall be responsible to the same extent as if the subcontracted duties were retained by Seller (including all acts and omissions of the subcontractor, such as purchasing, labor and material control, quality of material and workmanship, and proper performance of obligations). These General Terms and each Contract shall be binding upon the Parties' respective successors and permitted assigns.

13.2 If Seller intends that all or part of the manufacture of Goods will be subcontracted to a third-party, Seller will: (a) give Tesla advance written notice of the identity of the subcontractor and obtain Tesla's prior written permission; (b) be solely responsible for payments to the subcontractor; and (d) include in its purchase order for Goods a waiver of subcontractor liens. Tesla has no obligation to Seller or any of Seller's subcontractors other than payment to Seller of the price in Tesla's Purchase Order.

13.3 Tesla (and/or its Subsidiary, as applicable) may, in its sole discretion, transfer or assign a Contract and/or these General Terms to a Subsidiary that assumes all of Tesla's obligations thereunder.

14. Excusable Non-Performance. A delay or failure by either Party to perform its obligations under the Contract will be excused, and will not constitute a Default, only if: (a) caused by an act of God or war; (b) the non-performing Party is without fault in causing or failing to prevent such act or event; (c) the event cannot be circumvented through the use of commercially reasonable alternative sources, workaround plans or other means; and (d) the affected Party unable to perform gives notice of the act or event (including its anticipated duration) to the other Party promptly after becoming aware that it has occurred or will occur, and of its plans and efforts to implement a work-around. The affected Party will continue to use Commercially Reasonable Efforts to perform to the extent possible, and will notify the other Party promptly when the act or event has abated. If Seller is unable to perform for any reason, Tesla may purchase Goods from other sources and reduce its purchases from Seller accordingly without liability to Seller. Within ten (10) business days after written request by the other Party, the non-performing Party will provide adequate assurances that the non-performance will be cured within a reasonable period of time not to exceed 30 days unless the nature or extent of the event or occurrence reasonably justifies an extension in which case the non-performing Party shall so notify the other of such non-performing Party's estimated date of performance. If the non-performing Party does not provide those assurances or if the non-performance exceeds thirty (30) consecutive days or a period reasonably justified by the nature or extent of the act or event, the other Party may terminate the Contract by notice given to the non-performing Party before performance resumes.

15. Labor Contracts. Seller will notify Tesla of any labor contract expiration date at least six (6) months before the expiration of a current labor contract that has not been extended or replaced. Tesla may thereafter direct Seller in writing to manufacture up to thirty (30) days of additional inventory of Goods, specifying the quantities of Goods required and any packaging and storage requirements. Seller will use Commercially Reasonable Efforts to comply with Tesla's written directions prior to expiration of the current labor contract and until the current labor contract has been extended or a new contract completed. By authorizing the additional inventory, Tesla commits to buy the entire quantity of conforming Goods requested and produced. Seller is responsible for carrying costs and any additional costs of manufacture.

16. Credits; Customs. Credits or benefits resulting from the Contract and/or associated with the Goods (including trade credits, export credits or the refund of duties, taxes, or fees) belong to Tesla unless otherwise prohibited by applicable Law. Seller will provide Tesla with all information, certificates and records relating to the Goods (including Trade Preference Certificates of Origin, such as NAFTA) as necessary for Tesla to: (a) receive these benefits, credits, and rights; (b) fulfill any customs obligations, origin marking or labeling requirements, and certification or local content reporting requirements; (c) claim preferential duty treatment under applicable trade preference regimes; and (d) participate in any duty deferral or free trade zone programs of the country of import. Seller will obtain all pre-delivery export licenses and authorizations and pay all pre-delivery export taxes, duties, and fees unless otherwise stated in the Contract, in which case Seller will provide all information and records necessary to enable Tesla to obtain such export licenses or authorizations.

17. Insurance. At all times throughout the term of the Contract, Seller shall procure and maintain, at its sole cost and expense, and upon request furnish to Tesla a certificate evidencing the following insurance: (a) commercial general liability insurance with minimum coverage of at least One Million Dollars ($1,000,000) combined single limit per occurrence for bodily injury and/or property damage, as well as contractual liability coverage and naming Tesla as an additional insured; (b) employer's liability insurance with minimum coverage of at least One Million Dollars ($1,000,000); and (c) automobile liability insurance on all owned, non-owned and/or hired vehicles with minimum coverage of at least One Million Dollars ($1,000,000) combined single limit per occurrence for bodily injury and/or property damage, and physical damage insurance for the actual cash value of each such vehicle. Seller shall also comply with all applicable workers' compensation and/or other Laws that may accrue in favor of any Seller Personnel in all locales where Seller Personnel perform(s) in connection with the Contract.

18. **Limitation of Liability**. In no event will Tesla be liable for anticipated profits, interest, penalties or incidental, consequential, punitive, multiple, or exemplary damages or liabilities in connection with the Contract, whether for breach of contract, late payment, property damage, personal injury, illness, or death or otherwise. In addition and without limiting any of the foregoing, Tesla will have no obligation for and will not be required to pay Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, failure to realize anticipated production volumes, revenues or savings, unabsorbed overhead, interest on claims, product development and engineering costs, tooling, facilities and equipment rearrangement costs or rental, unamortized capital or depreciation costs, or general administrative burden charges from termination of the Contract. In addition to the foregoing, Tesla shall have no liability for any act, omission or obligation of any Authorized Purchaser except to pay the amounts required under Section 1.4 for Production POs or Releases that were issued by an Authorized Purchaser within Tesla's schedule and forecast, and subject to the limitations and exclusions set forth in the Contract and these General Terms.

19. **Miscellaneous**.

19.1 *Advertising and Publicity.* During and after the term of the Contract, Seller will not advertise or otherwise disclose its relationship with Tesla without Tesla's prior written consent, except as may be required to perform the Contract or as required by Law. Neither Party shall have any right or license to use the trademarks, service marks or logos of the other Party for any purpose without first obtaining written consent of the other Party from an authorized representative thereof.

19.2 *Audit and Inspection Rights.* Tesla and its authorized representatives shall have the right from time to time to access Seller's premises and verify: (a) Seller's compliance with the terms of the Contract; and (b) Seller's performance or ability to perform under the Contract. Seller will maintain records as necessary to demonstrate Seller's compliance with the terms of the Contract, including showing that amounts charged to Tesla are true and correct. Tesla and its representatives may audit Seller's records made within three (3) years prior to the audit date (including of transactions completed), to the extent needed to verify compliance with the Contract, including verifying that quantities shipped and the prices charged match the Contract prices. Tesla may retain records from any such audit and (notwithstanding anything to the contrary in the NDA) disclose such records if and to the extent required by Law and/or by contract with a governmental entity (including the State of Nevada and Storey County, Nevada). Any audit will be conducted at Tesla's expense (but will be reimbursed by Seller if the audit uncovers errors in the amounts charged in excess of 5% or other Seller breaches that expose Tesla to potential liability).

19.3 *Counterparts.* These General Terms may be executed in counterparts, each of which shall be an original and together which shall constitute one and the same instrument.

19.4 *Electronic Communication.* Seller will comply with the method of electronic communication specified by Tesla from time to time, including requirements for electronic funds transfer, purchase order transmission, electronic signature, and communication.

19.5 *Entire Agreement.* The Contract constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes all prior oral or written representations or agreements by the Parties with respect to the subject matter of the Contract. Except as authorized in Subsection 1.5, no subsequent terms, conditions, understandings, or agreements purporting to modify the terms of the Contract will be binding unless in writing and signed by both Parties.

19.6 *Environmentally Friendly Practices.* In addition to complying with all environmental and safety requirements, to the maximum extent practicable, Seller will use environmentally conscious materials and practices in the development, manufacturing, packaging and delivery of all Goods – including the use of the best available extraction and processing technologies to achieve the following: (a) low environmental impact; (b) high extraction yield from mined minerals (with a target of 90% or higher for LiOH Goods); (c) maximum use of renewable materials and energy, following a roadmap to achieve zero carbon emissions; (d) minimal use of imported chemicals; (e) minimal steps to produce Goods (e.g. avoid the Li2CO3 step for LiOH Goods); and (f) minimal waste and tailings requirements, following a roadmap to achieve zero tailings waste.

19.7 *Governing Law; Dispute Resolution; Venue.*

(a) Unless otherwise agreed in writing, the Contract will be governed by and interpreted according to the internal Laws of California. The UN Convention on Contracts for the International Sale of Goods will not apply to the Contract.

(b) Tesla and Seller will first endeavor to resolve through good faith negotiations any dispute arising under or relating to these General Terms or the Contract. If a dispute cannot be resolved through good faith negotiations within a reasonable time, the state courts of California and federal courts sitting in the Northern District of California have exclusive jurisdiction to determine such dispute. The Parties irrevocably submit to the exclusive jurisdiction of those courts and agree that final judgment in any action or proceeding brought in such courts will be conclusive and may be enforced in any other jurisdiction by suit on the judgment (a certified copy of which will be conclusive evidence of the judgment) or in any other manner provided by Law. Process served personally or by registered or certified mail, return receipt requested, will constitute adequate service of process in any such action, suit or proceeding. Each Party irrevocably waives to the fullest extent permitted by applicable Law: (i) any objection it may have to the venue in any court referred to above; (ii) any claim that any such action or proceeding has been brought in an inconvenient forum; and (iii) any immunity that it or its assets may have from any suit, execution, attachment (whether provisional or final, in aid of execution, before judgment or otherwise) or other legal process.

(c) The Parties acknowledge and agree that any breach or threatened breach of a duty with respect to the disclosing Party's Confidential Information or infringement or misappropriation of the other Party's Intellectual Property Rights could cause harm to the disclosing Party for which money damages may not provide an adequate remedy. The Parties agree that in the event of such a breach or threatened breach, in addition to any other available remedies, the disclosing Party may seek temporary and permanent injunctive relief restraining the receiving Party from disclosing or using, in whole or in part, any Confidential Information or breaching the disclosing Party's Intellectual Property Rights, provided it does so in accordance with these General Terms, including this Section 19.7. The Parties hereby waive any bond requirements for obtaining equitable relief.

19.8 *Independent Efforts and Similar Goods.* Provided there is no infringement of the other Party's Intellectual Property Rights, nothing in these General Terms will impair either Party's right to develop, manufacture, purchase, use, sell or market, directly or indirectly, alone or with others, products or services competitive with those offered by Seller.

19.9 *Interpretation.* When used in these General Terms, "including" (and any of its derivative forms) means "including without limitation" and terms defined in the singular include the plural and vice versa. The words "will" and "shall" shall be understood to apply to a mandatory obligation, not a permissive statement. The Contract, including any exhibits and Contract Documents hereto, shall be construed without the aid of any canon or rule of law requiring interpretation against the Party drafting or causing the drafting of an agreement or the portions of an agreement in question, it being agreed that all Parties hereto have participated in the preparation of the Contract. Section references are to sections of the document in which the reference is contained and will be deemed to refer to and include all subsections of the referenced section. The section headings in these General Terms are for reference purposes only and may not be construed to modify or restrict any of the terms of these General Terms and/or the Contract. These General Terms and the Contract Documents are written in the English language, and the English version shall prevail over any translation thereof.

19.10 *No Third Party Beneficiaries.* Unless otherwise expressly provided for herein, no provisions of the Contract are intended or shall be construed to confer upon or give to any person or entity other than Seller, Tesla (and their authorized assignees under Section 13) or any Authorized Purchaser any rights, remedies or other benefits under or by reason of the Contract.

19.11 *Notices.* Any notice or other communication required or permitted in the Contract must be in writing and will be effective on the date of actual receipt if the date of actual receipt is a business day or on the next business day if the date of actual receipt is not a business day.

19.12 *Precedence.* In the event of a conflict in the Contract Documents, the order of precedence will be: (a) any written agreement signed by authorized representatives of both Parties expressly amending a Contract Document; (b) the applicable Production PO or Discrete PO; (c) a production pricing agreement signed by both Parties; (d) any Good-specific exhibits or attachments to these General Terms; (e) these General Terms and any exhibits, attachments, schedules and documents included or referenced in these General Terms that are not Good-specific attachments or schedules; and (f) any other Contract Document. These General Terms shall supersede any standard terms and conditions that are automatically attached to Tesla's Purchase Order.

19.13 *Relationship of the Parties.* The Parties are independent contractors under the Contract and no other relationship is intended, including, without limitation, a partnership, franchise, joint venture, agency, employer/employee, fiduciary, master/servant relationship, or other special relationship. Neither Party shall act in a manner that expresses or implies a relationship other than that of independent contractor, nor bind the other Party.

19.14 *Seller's Conduct.* Tesla is committed to ensure that working conditions in Tesla's supply chain are safe and humane, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible. Accordingly, Seller agrees to comply with all of Tesla's seller conduct requirements that Tesla may provide and amend from time to time, and further agrees that Seller shall: (a) not request or encourage, directly or indirectly, any Seller Personnel to furnish false or incomplete information in connection with the audit and inspection; (b) take retaliatory action against any Seller Personnel interviewed; and (c) immediately implement corrective action to remedy any non-conformance with Tesla's seller conduct requirements. Tesla reserves the right to disclose or have an Authorized Purchaser or third party disclose publicly on an aggregated basis, the results of any audit and inspection regarding Seller's treatment of its workers, including any non-conformance with Tesla's seller conduct requirements. Seller's failure to remedy any non-conformance with Tesla's seller conduct requirements after a reasonable amount of time will be deemed to be a Default.

19.15 *Severability.* If for any reason a court of competent jurisdiction finds any provision of the Contract to be unenforceable, that provision of the Contract will be enforced to the maximum extent permissible so as to implement the intent of the Parties, and the remainder of the Contract will continue in full force and effect.

19.16 *Survival.* The expiration or termination of the Contract shall not affect Seller's obligations or representations and warranties and Tesla's rights under the Contract with respect to Goods delivered or ordered prior to such expiration or termination, or Goods ordered pursuant to Subsection 11.4 above. Without limiting the foregoing, Sections 1.1(c), 1.3, 1.4, 1.5(a), 2, 2.4, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 shall survive termination or expiration of the Contract and these General Terms.

19.17 *Waiver.* The failure of either Party to enforce on a particular occasion any right or remedy provided in the Contract or by Law or in equity will not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy.

20. **Definitions.** Terms used in these General Terms with initial capitalization have the meanings specified where used or in this Section.

20.1 "Anti-Bribery Laws" means the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act of 2010, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (in each case, as amended from time to time) and all other applicable national, regional, provincial, state, municipal or local laws and regulations that prohibit the bribery of, or the providing of unlawful gratuities, facilitation payments or other benefits to, any government official or any other person.

20.2 "Anti-Money Laundering Laws" shall mean all applicable Laws, regulations and sanctions, state and federal, criminal and civil, that: (a) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (b) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (c) require identification and documentation of the parties with whom a Financial Institution conducts business; or (d) are designed to disrupt the flow of funds to terrorist organizations. Such Laws, regulations and sanctions shall be deemed to include, without limitation, the USA PATRIOT Act of 2001, Pub. L. No. 107-56 (the "Patriot Act"), the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as Laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

20.3 "Authorized Purchaser" means Tesla or any other entity that is authorized in writing by Tesla to purchase Goods on behalf of Tesla.

20.4 "Claim" means any demand, or any civil, criminal, administrative or investigative claim, action or proceeding (including arbitration) asserted, commenced or threatened against an entity or person by an unaffiliated third party. For the purposes of this definition, an employee of either Party is considered an unaffiliated third party.

20.5 "Commercially Reasonable Efforts" means taking all such steps and performing in such a manner as a well-managed company would undertake where it was acting in a determined, prudent and reasonable manner to achieve a particular desired result for its own benefit.

20.6 "Contract Documents" means these General Terms, the Production PO or Discrete PO (as applicable), documents and attachments referenced in any of the foregoing (including Specifications and Releases), production pricing agreements, statements of work, and any other additional written agreements provided that such they are signed by authorized representatives of both Parties and pertain to the Goods.

20.7 "Default" has the meaning set forth in these General Terms, including Sections 3.3, 6.1(c), and 19.2.

20.8 "Embargoed Person" means any person, entity or government subject to trade restrictions under U.S. Law, including the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder, with the result that either business with Seller is prohibited by Law or the Contract is in violation of Law.

20.9 "Goods" means all products and materials identified in a statement of work or product specific attachment to these General Terms, and all products that are not so identified, but which are offered or sold by Seller to Tesla or any of its Authorized Purchasers. "Goods" shall include goods made by or on behalf of Seller and sold by Seller to any Authorized Purchaser, directly or indirectly including through resellers, distributors, value-added distributors and subassembly manufacturers. "Goods" includes prototype, development, and pre-production versions of Goods.

20.10 "In-Scope Countries" means, collectively, the United States, the European Union and its member states, Norway, Switzerland, Canada, Australia, China, Hong Kong, Japan, and all countries in which applicable Laws are met by complying with the applicable Laws of the countries described herein, subject to Section 1.5 (Changes) with respect to any required changes, Laws of additional countries specified by Tesla in writing.

20.11 "Intellectual Property Rights" means any right arising under U.S. or foreign Law relating to patent, trademark, mask work, copyright, moral, industrial design right, trade dress, or trade secret right or any other proprietary rights similar to the aforementioned rights and protected under foreign Law.

20.12 "Law(s)" means any statute, regulation, ordinance, rule, order, decree or governmental requirement enacted, promulgated or imposed by any governmental authority at any level (e.g., municipal, county, province, state or national).

20.13 “Lead Time” means the minimum time expressly agreed upon in a written agreement signed by both Parties that an order should be placed so that the supplier of the good or service may deliver by the desired delivery date, or if not so agreed, the shortest amount of time required by a typical supplier in the relevant industry, to manufacture the goods that are the subject of the order.

20.14 “Person” means an individual, corporation, partnership, limited partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity.

20.15 “Production PO” has the meaning set forth in Subsection 1.1(a). Volumes set forth in Production POs are not-binding on any Authorized Purchaser and are provided for Seller’s planning purposes only.

20.16 “Purchase Order” means a Production PO or Discrete PO.

20.17 “Purchase Orders” may mean multiple Production POs, multiple Discrete POs, or a combination of the two types of purchase orders.

20.18 “Release” means a written communication issued by Tesla or an Authorized Purchaser that identifies a specific quantity of Goods and associated delivery date by which Seller shall deliver such Goods.

20.19 “Seller Personnel” means all personnel furnished by Seller to perform its obligations under the Contract, including employees and independent contractors of Seller, its Subsidiaries and subcontractors.

20.20 “Specifications” means the most current version of all applicable specifications and requirements either: (a) provided by Tesla, including other documents or requirements specifically incorporated or referenced in these General Terms, Purchase Orders, bills of materials, statements of work, project schedules, drawings, and CAD data; or (b) any samples, drawing, CAD data, spec sheets, or other descriptions or specifications or representations provided by Seller that are approved of by Tesla or relied upon by Tesla.

20.21 “Subsidiary” means with respect to any Party, any entity that is directly or indirectly controlling, controlled by, or under common control with such Party. For purposes of this definition, "control" (and any of its derivative forms) when used with respect to any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of at least fifty percent (50%) of voting securities, by contract or otherwise.

20.22 “Tesla” means Tesla Motors, Inc. and/or its Subsidiaries.

20.23 “Tesla Motors Supplier Handbook” means the most current version of written guidelines, standards and requirements provided by Tesla regarding development and production of Goods under these General Terms, which may be provided by Tesla electronically or via a web-based portal.

20.24 “Tesla Product” means any product that is manufactured by or on behalf of Tesla. Tesla Products may include vehicles, chargers, subassemblies, systems and components.

20.25 “U.S. Person” means a United States citizen or entity organized under the Laws of the United States or its territories or entity having its principal place of business in the United States or any of its territories.

20.26 “Warranty Period” means, with respect to each Good, the longer of: (a) the warranty period required by applicable Law; or (b) five (5) years from the date of delivery to the Authorized Purchaser.

IN WITNESS WHEREOF, the Parties have executed these General Terms by persons duly authorized below:

Tesla Motors, Inc.	**Seller**
By: *(signed) "JB Straubel"*	By: *(signed) "Robert Mintak"*
Printed: JB Straubel	Printed: Robert Mintak
Title: Chief Technical Officer	Title: Chief Executive Officer
Date: September 15, 2015	Date: September 15, 2015
	Company: Pure Energy Minerals, Ltd. (British Columbia, Canada corporation)
	Address: Office # 1780, 355 Burrard Street Vancouver, BC, V6C 2G8, Canada