North Carolina’s outgoing governor pardoned on Monday the Wilmington 10, a group of civil rights activists convicted of firebombing a white-owned grocery store in a black neighborhood 40 years ago.

Governor Beverly Perdue’s pardons for the Wilmington 10, five days before she leaves office, formally draws a line under what she called "an ugly stain on North Carolina’s criminal justice system."

"The more facts I have learned about the Wilmington 10, the more appalled I have become about the manner in which their convictions were obtained," the governor, a Democrat, said in a statement.

Perdue cited racial bias in issuing pardons of innocence for the nine black men and one white woman after the group received prison sentences that totaled nearly 300 years for the 1971 firebombing of Mike’s Grocery.

"These convictions were tainted by naked racism and represent an ugly stain on North Carolina’s criminal justice system that cannot be allowed to stand any longer," Perdue said.

"Justice demands that this stain finally be removed."

Although then-governor Jim Hunt commuted the sentences in 1978 and the convictions were overturned two years later after a federal appeals court determined the trial had been seriously flawed, the guilty verdict still hung over the group until now.

The pardon allows the 10, now forgiven, to seek compensation from the state.

Among the first to hail the decision was Wilmington 10 leader Benjamin Chavis, who had been sentenced to 34 years, but released on parole in 1979 — the year before a federal appeals court overturned all the convictions.

"Wilmington 10 unchained," tweeted Chavis, who went on to head the National Association for the Advancement of Colored People, a major US civil rights organization.

"Thanks to NC Governor Perdue for Pardons of Innocence today: 40 year struggle for equal justice for all. God bless."

The incident took place as racial tensions were running high in Wilmington over the desegregation of local schools.

The group was also convicted of shooting at firefighters from a nearby African American church from where Chavis had organized civil rights protests and school boycotts.

Supporters called the Wilmington 10 "political prisoners."

"Free at Last! God is a Good God!" tweeted Wayne Moore, who was 19 at the time of the firebombing.

Perdue said she was swayed in part by newly found handwritten notes from the prosecutor who picked the trial jury that showed "with disturbing clarity" how racism influenced jury selection.

The notes showed that the prosecutor preferred white jurors believed to be members of the white supremacist Ku Klux Klan, describing them as "good," and referred to at least one African American juror as a compliant "Uncle Tom type."

The prosecution’s key witness and two supporting witnesses also independently recanted their testimony after the trial.

"This conduct is disgraceful," Perdue added.

"It is utterly incompatible with basic notions of fairness and with every ideal that North Carolina holds dear.

"The legitimacy of our criminal justice system hinges on it operating in a fair and equitable manner with justice being dispensed based on innocence or guilt — not based on race or other forms of prejudice."

Of the 10, four — including the woman, social worker Ann Shepard — have passed away, and others are said to be in poor health.