

1. **TERMS OF SALE.** The terms and conditions of this Sales Agreement, along with attachments hereto ("Agreement") shall apply to TEXTUM's non-exclusive sale of product previously described to TEXTUM in writing ("Product") to BUYER. All purchases from TEXTUM by BUYER are expressly limited to and conditioned upon the terms and conditions of this Agreement, regardless of the means or media of BUYER's purchases of Product, including, without limitation, written purchase orders, electronic orders, or other writings from BUYER to TEXTUM (collectively, "Purchase Orders"). Any additional or conflicting terms and conditions contained on, attached to or referenced by any Purchase Orders, or other prior or later communication between BUYER and TEXTUM, are expressly rejected by TEXTUM and shall have no effect on the purchase of any such Product unless such provisions are expressly agreed to by TEXTUM in writing. BUYER's submission of a Purchase Order shall in all cases constitute BUYER's unqualified and unconditional acceptance of this Agreement. Any Purchase Order received by TEXTUM shall be the legally binding purchase obligation of BUYER. In the event TEXTUM fails to supply BUYER the Product to which a Purchase Order issued by BUYER relates in accordance with the terms hereof and thereof, BUYER's exclusive remedies shall be to be free to purchase replacement Product for the Purchase Order from a third party.

2. **TITLE AND RISK OF LOSS.** All Product shall be sold "FOB Shipping Point." Title to and risk of loss on Product passes to BUYER when Product is delivered to a common carrier. After passage of title of Product to BUYER, BUYER assumes all risk and liability, and TEXTUM shall not be liable to BUYER for any loss or damage to persons, property or the environment arising out of or related to Product.

3. **TAXES AND DUTIES.** All taxes, duties, tariffs, consular fees, levies, penalties and other charges now or hereafter imposed by any governmental authority with respect to the Agreement or the sale, delivery, transportation, importation, exportation or proceeds of Product hereunder or on remittance of funds in payment for Product shall be paid by BUYER. If paid, or required to be paid by TEXTUM, BUYER shall reimburse TEXTUM for such amounts within ten (10) days of receipt of written notice from TEXTUM. If any Product is rejected, BUYER shall pay all taxes, duties, tariffs, consular fees, levies, penalties or other charges resulting from failure to re-export Product from the country of destination within such time limits as may be prescribed by Law (as defined below). TEXTUM reserves to itself all applicable duty drawback allowances and BUYER shall provide assistance in connection with TEXTUM's application for the same.

4. **INDEMNIFICATION.** To the fullest extent permitted by and under Law, BUYER, its affiliates, agents, principals, successors and assigns shall defend, indemnify and hold TEXTUM, its affiliates and their respective employees, agents, officers, directors and stockholders, successors and assigns (collectively "Indemnitees") harmless from and against any and all claims, demands, lawsuits, causes of action, strict liability claims, penalties, fines, administrative law actions and orders, expenses (including attorneys' fees and expenses) and costs and liabilities of every kind and character ("Claims") which may arise for any reason whatsoever, including, without limitation, personal injuries, death, damage to property or to the environment, regardless of whether based on negligence, strict liability, contract, or breach of warranty, arising out of or related to a breach of its obligations under this Agreement or the sale or use of Product or material made in whole or in part from Product sold hereunder. BUYER's duty and obligations under this Section shall survive the termination, cancellation or expiration of the order contemplated by the Agreement and the cessation of any business transactions between BUYER and TEXTUM.

5. **DELIVERIES.**

(a) If BUYER has not issued written instructions as to the method of shipment by the time Product is ready for shipment, TEXTUM may select any reasonable method of shipment without liability by reason of its selection. To the extent flexibility is allowed by the Agreement for time or size of deliveries, the parties will cooperate to the extent reasonable to coordinate periods and times for deliveries hereunder, and BUYER will give reasonable prior notice as to quantities and scheduling desired, all subject to the quantities set forth in the Agreement. TEXTUM shall not be liable to BUYER for damages or charges resulting from a delay in the delivery of Product. TEXTUM reserves the right to assess additional charges for non-standard shipments, short lead time on orders, order changes, and order cancellations. All shipment, insurance and similar charges shall be borne by BUYER.

(b) If and to the extent that Product sold hereunder is to be delivered from any TEXTUM facility, TEXTUM shall have the right to require the execution of an access and/or confidentiality agreement prior to granting BUYER, its carriers, contractors or agents, access to such facility. BUYER shall comply, and shall ensure that its carriers, contractors and agents shall comply, with all of TEXTUM's safety rules and regulations when they are at any of TEXTUM's facilities.

(c) For all deliveries under the Agreement, BUYER is solely responsible for offloading or unloading all Product. To the extent BUYER fails to offload or unload the entire quantity of Product from the transport or container utilized for shipment (i) any residual or remaining Product shall be deemed to have been abandoned by BUYER for the beneficial use or re-use by TEXTUM, and will become the property of TEXTUM when received and accepted, in TEXTUM's sole discretion, by TEXTUM at the facility designated in writing by TEXTUM; (ii) BUYER will not receive credit, payment or other consideration for any such residual or remaining Product; and (iii) BUYER is solely responsible for the transportation of such residual or remaining Product until received and accepted by TEXTUM.

6. **COMPLIANCE WITH LAW.**

(a) The parties shall comply with all laws, treaties, conventions, directives, statutes, ordinances, rules, regulations, orders, writs, judgments, injunctions or decrees of any governmental authority having jurisdiction ("Laws") pertaining to the fulfillment of the Agreement.

(b) BUYER will be responsible for compliance with all Laws applicable to Product once the Product has been delivered by TEXTUM in accordance with this Agreement, including, without limitation, those related to operations, safety, maintenance, equipment, size and capacity and pollution prevention.

(c) If any license or consent of any government or other authority is required for the acquisition, carriage or use of Product by BUYER, BUYER will obtain the same at its expense, and if necessary, provide evidence of the same to TEXTUM on request. Any expenses or charges incurred by TEXTUM resulting from such failure will be paid for by BUYER within ten (10) days of receipt of TEXTUM's written request.

7. **MEASUREMENT.** Product quantities and sizes will be determined by TEXTUM's measurement equipment, unless proven by BUYER to be in error with clear and convincing evidence. In the case of products shipped directly to the BUYER (drop shipping) TEXTUM requests that the BUYER confirms the net weight of the product supplied and to validate the Quality Control certification provided. If the net weight supplied differs from your confirmation and/or the Quality Control certification is not in compliance, the BUYER shall contact TEXTUM for clarification.

8. **CLAIMS.** BUYER shall, at its sole cost and expense, inspect Product delivered hereunder immediately after receipt. Within ten (10) days ("Inspection Period") of BUYER's receipt of Product and before the use, disposition, or other change from the original condition of any part of Product (except for reasonable test and inspection quantities), BUYER shall notify TEXTUM in writing if Product is found defective or short in any respect. Any use, disposition, or other change of any of Product (except for reasonable tests and inspection quantities) or BUYER's failure to give written notice to TEXTUM of such defect or shortage within such ten (10) day period shall constitute an unqualified acceptance of the Product and a waiver by BUYER of all claims with respect thereto. BUYER and its affiliates, successors and permitted assigns shall have no other remedy or recourse under this Agreement or all applicable laws with regard to Product delivered to BUYER. All sales of the Product are final after the Inspection Period.

9. **PAYMENT TERMS/CREDIT.**

(a) BUYER shall pay all invoices, without deduction, in US currency. If the Agreement does not state payment terms, payment shall be received by TEXTUM no later than thirty (30) days from the date of TEXTUM's invoice. Delay in payment will result in BUYER being responsible for interest at a rate of one and percent (1.0%) per month compounded monthly (12.7% per annum), or the maximum rate allowed by Law, whichever is less, on the outstanding amount of any unpaid invoice beginning on the day after the payment due date. If the payment due date is a Saturday, Sunday or holiday where banks located in the State of North Carolina are authorized or required to be closed, BUYER shall make such payment on the next business day after such due date.

(b) TEXTUM makes no assurance or guarantee regarding any amount of credit or the continuation of such credit to BUYER. If TEXTUM, in its sole discretion, provides BUYER with a line of credit to facilitate purchases of Product from TEXTUM under the Agreement, such credit line may be amended, decreased or terminated at any time at TEXTUM's sole discretion.

(c) If any such credit provided to BUYER, or Performance Assurance (as defined below) is required by TEXTUM of BUYER, BUYER will provide to TEXTUM any or all annual reports containing BUYER's and/or BUYER's Performance Assurance provider's audited financial statements for a particular fiscal year. In all cases, the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles.

(d) Notwithstanding the foregoing, if TEXTUM determines, in its sole discretion, that the creditworthiness or future performance of BUYER is impaired or unsatisfactory, TEXTUM may (i) suspend deliveries of Product, (ii) require prepayment by wire transfer of immediately available funds at least three (3) days prior to a scheduled shipment of Product, and/or (iii) require Performance Assurance at least three (3) days prior to a scheduled Product shipment. BUYER hereby waives written notice of any such action. "Performance Assurance" means collateral in the form of either cash, letter(s) of credit, guaranty, or other security acceptable to TEXTUM in its sole discretion.

(e) TEXTUM reserves the right, at any time, to Set-off against any amount that TEXTUM owes to BUYER under the Agreement or any other agreement between such parties. "Set-off" means set-off, offset, combination of accounts, netting of dollar amounts of monetary obligations, right of retention or withholding or similar right to which TEXTUM is entitled (whether arising under the Agreement, another agreement, applicable Law, or otherwise) that is exercised by TEXTUM.

10. **LIMITED WARRANTY.** TEXTUM warrants only, at the time of delivery, that: (a) Product shall conform to TEXTUM's then current specifications provided by BUYER for the specific Product sold hereunder; and (b) TEXTUM will deliver good title to Product and that Product shall be delivered free of liens or encumbrances. BUYER acknowledges, represents, and warrants that it has all necessary expertise and knowledge in the intended use of Product sold hereunder and any use or other product or material made therefrom, assumes all risk and liability for results obtained by the use of Product, whether used singly or in combination with other substances or in any process. EXCEPT AS SET FORTH IN THIS SECTION, TEXTUM SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS OF THE PRODUCT FOR A PARTICULAR PURPOSE, CONDITION OR QUALITY OF THE PRODUCT, ANY TRADE USAGE OR DEALING. ANY DETERMINATION OF THE SUITABILITY OF PRODUCT FOR THE USE CONTEMPLATED BY BUYER IS BUYER'S SOLE RESPONSIBILITY.

11. **LIMITATION OF LIABILITY AND LIMITED REMEDIES.** NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT WILL TEXTUM BE LIABLE TO BUYER FOR ANY LOST OR PROSPECTIVE PROFITS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST EARNINGS, LOST PROFITS OR BUSINESS INTERRUPTION, WHETHER OR NOT BASED UPON TEXTUM'S NEGLIGENCE, BREACH OF WARRANTY, STRICT LIABILITY, IN TORT OR ANY OTHER CAUSE OF ACTION. BUYER's exclusive remedy against TEXTUM for any cause of action under the Agreement, including, without limitation, for failure to deliver or delivery of non-conforming Product, is, at TEXTUM's option, limited to (a) replacement of the non-conforming Product; or (b) refund to BUYER of the portion of the purchase price paid by BUYER and attributable to such non-conforming or undelivered Product. In no event shall TEXTUM's cumulative liability exceed the price of Product sold which was the direct cause of the alleged loss, damage or injury. IN ANY EVENT, BUYER ACKNOWLEDGES AND AGREES THAT THE RETURN OF THE FULL SALES PRICE FOR THAT PRODUCT SOLD WHICH WAS THE CAUSE OF THE ALLEGED LOSS, DAMAGE OR INJURY WILL PREVENT THE FOREGOING REMEDIES FROM FAILING OF THEIR ESSENTIAL PURPOSE, AND THAT SUCH REMEDY IS FAIR AND ADEQUATE.

12. **DEFAULT.** (a) Upon the occurrence of any of the following events (each an event of "Default" and the party committing such Default, the "Defaulting Party" and the party claiming the Default, the "Non-Defaulting Party"): (i) the failure by BUYER to provide Performance Assurance when due; (ii) TEXTUM not receiving a payment due from BUYER hereunder by the date such payment is due under the Agreement, and such failure remaining uncured for a period of two (2) business days; (iii) the failure of a party to perform any other obligation in the Agreement and such failure is not excused or cured within ten (10) days after written notice thereof; (iv) the occurrence of a Bankruptcy Event (as defined below); or (v) the failure by any Performance Assurance provider of BUYER to perform any obligation of such Performance Assurance provider under any document executed and delivered in connection herewith, then the Non-Defaulting Party, in its sole discretion and without prior notice to Defaulting Party, may do any one or more of the following: (a) suspend performance under the Agreement or any other agreement between BUYER and TEXTUM; and/or (b) terminate this Agreement or any other agreement between BUYER and TEXTUM, whereby any and all obligations of the Defaulting Party, including payments or deliveries due, will, at the option of the Non-Defaulting Party, become immediately due and payable or deliverable, as applicable.

(b) If TEXTUM suspends performance and withholds Product delivery as permitted above, TEXTUM may sell Product to a third party and deduct from the proceeds of such sale the purchase price and all reasonable costs resulting from BUYER's default as identified above, including, without limitation, all costs associated with the storage and sale of Product. The foregoing rights shall be cumulative in addition to any other rights or remedies to which the Non-Defaulting Party may be entitled at Law or in equity. In addition, Non-Defaulting Party shall be entitled to recover from the Defaulting Party all court costs, attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the Defaulting Party's default, and interest on past due amounts at the rate specified in Section 9(a) hereof. "Bankruptcy Event" means the occurrence of any of the following events with respect to a party or any Performance Assurance provider for BUYER: (i) filing of a petition or otherwise commencing, authorizing or acquiescing in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law; (ii) making of an assignment or any general arrangement for the benefit of creditors; (iii) having a bankruptcy petition filed against it and such petition is not withdrawn or dismissed within thirty (30) days after such filing; (iv) otherwise becoming bankrupt or insolvent (however evidenced); (v) having a liquidator, administrator, custodian, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (vi) being generally unable to pay its debts as they fall due.

13. **PATENT INFRINGEMENT ARISING FROM PRODUCT USE.** BUYER expressly assumes the risk of and shall, to the fullest extent permitted by Law, indemnify, defend, and hold TEXTUM harmless from and against any and all Claims for patent infringement by reason of BUYER's use of Product provided hereunder, whether used singly or in combination with other product or material, or in the operation of any process.

14. **SPECIALTY MANUFACTURED PRODUCT.** If the Agreement is suspended, terminated or cancelled for any reason, BUYER will take delivery of and make payment for such Product as have been completed and such Product as is in process on the date notice of suspension, termination or cancellation is received by TEXTUM. If BUYER for any reason cannot accept delivery of such Product, BUYER will make payment therefor as though delivery has been made, and TEXTUM will store such Product for BUYER's account and at BUYER's expense.

15. **EXCUSED PERFORMANCE.**

(a) *Force Majeure:* The parties will be excused from their respective performances hereunder (except BUYER's payment obligations) if performance is prevented or delayed by any acts of God, fire, explosion, flood, unusually severe or abnormal weather, riots or other civil disturbances, wars, acts of terrorism, actions of governments, voluntary or involuntary compliance with any Law or request of any governmental authority, strikes, lockouts or other labor difficulties, failure of usual sources of raw materials or other sources of supply, failure of computer systems to operate properly, destruction or loss of electronic records or data, failure of mechanical or chemical function or equipment normally used by TEXTUM for manufacturing, handling or delivering of Product, or internally produced intermediates used in manufacture of any of the Product, plant shutdowns, any necessity to not operate, or to reduce operation of, equipment in order to protect the safety of people or to protect the environment, or any circumstances beyond the reasonable control of the party seeking excuse from performance ("*force majeure*"). Promptly after a party determines a *force majeure* condition exists, that party will notify the other of the circumstances and consequences claimed and will use reasonable means to remove the cause(s) in question. Neither party will be obligated to settle any demands of, or disputes with, laborers; nor will BUYER be excused from paying monies due or complying with TEXTUM's credit terms. Quantities affected by *force majeure* will be deleted from the Agreement, but the Agreement will otherwise continue in full force and effect for the term set forth in the Agreement. In periods of shortage of Product due to *force majeure*, TEXTUM may apportion any reduced quantity of Product among itself and its customers and affiliates in an equitable manner. TEXTUM shall not be required to acquire Product to replenish any shortfall in Product arising as a result of a *force majeure*. Should TEXTUM acquire any quantity of Product following a *force majeure*, TEXTUM may use or distribute, without apportioning, such Product at its sole discretion. Under no circumstances will TEXTUM be obligated to obtain Product for delivery hereunder except from its designated source(s) of supply, or if none is so designated by TEXTUM, from its usual, customary and/or most recent source(s) of supply.

(b) *Commercial Impracticability:* TEXTUM may suspend performance and/or terminate the Agreement, in whole or in part, without liability to BUYER, if for any reason, TEXTUM shuts down the unit(s), or the manufacturing facility at which Product (or the feedstock for the Product) is made, or if a change in circumstances (whether foreseeable or unforeseeable) causes TEXTUM to incur a loss on a full cost basis at any time on the sale of Product hereunder from the unit or the manufacturing facility.

(c) *Shortages:* If for any reason shortages occur in TEXTUM's supply of the goods or products necessary to produce Product, TEXTUM may, without obligation to BUYER, obtain similar supply of goods and products from other sources and allocate all such products produced among its customers, its own requirements and the requirements of its divisions, subsidiaries and affiliates, in a manner and amount that is fair and reasonable. TEXTUM may deduct the quantity not shipped because of this allocation from the quantity under the Agreement without liability to BUYER for failure to deliver.

16. **CONFIDENTIALITY.** The parties hereto agree to treat as confidential all information supplied by each other, and not in the public domain, in connection with the Agreement, including, but not limited to: specifications, drawings, blueprints, processes, material sources, independent contractors, business relationships, machinery and other technical, business or sales data, including this Agreement and any of its terms, or statements of work (collectively referred to as the "Confidential Information"). The parties agree to (i) keep the Confidential Information confidential and not disclose it to any third party, (ii) use Confidential Information only as necessary for the performance of the Agreement, and (iii) limit the disclosure of the Confidential Information to those of its employees necessary for the performance of the Agreement, unless prior written consent has been granted by the other party to permit other use or disclosure. The parties shall, upon request or upon expiration, termination or cancellation of the Agreement, promptly return all documents previously supplied, destroy any and all copies that were reproduced, and send written confirmation to the other party certifying such destruction.

17. **TRADEMARKS.** Except as may be contained in a separate trademark license, the sale of Product (even if accompanied by documents using a trademark or trade name) does not convey a license, express or implied, to use any trademark or trade name and BUYER shall not use a trademark or trade name of TEXTUM's in connection with the Product.

18. **SUCCESSOR AND ASSIGNS.** The Agreement binds and inures to the benefit of BUYER and TEXTUM and their respective successors and permitted assigns. BUYER may not assign any interest in, nor delegate any obligation under the Agreement, by operation of Law or otherwise, without TEXTUM's prior written consent. Any assignment or attempted assignment in contravention of the foregoing shall be null and void, shall be considered a breach of the Agreement, and shall permit TEXTUM, in addition to any other rights that it may have, to terminate the Agreement.

19. **GOVERNING LAW/VENUE FOR DISPUTES.** The validity, performance, construction, and all matters arising out of or relating to the Agreement shall be interpreted in accordance with the Laws of the State of North Carolina, without regard to its conflicts of law rules. Any dispute arising out of or relating to this Agreement or the breach, termination or validity hereof (collectively, a "Dispute") shall be settled by arbitration solely and exclusively in Mecklenburg County, North Carolina in accordance with the commercial arbitration rules then in effect of the American Arbitration Association. The award entered by the arbitrators shall be final and binding on all parties to arbitration.

20. **AMENDMENT.** No salesperson is authorized to bind TEXTUM; orders placed with a salesperson are not binding on TEXTUM until confirmed in writing by TEXTUM's authorized employee. All technical advice, services and recommendations by TEXTUM are intended for use by persons having skill and know-how, and are accepted by BUYER at its own risk, and TEXTUM assumes no responsibility for results obtained or damages incurred from their use. No statements or agreements, oral or written, not contained herein or in a future amendment hereto executed by both parties will vary or modify the terms hereof. Neither party shall claim any amendment, modification or release of any provisions hereof unless the same is in writing and such writing: (a) specifically refers to the Agreement; (b) specifically identifies the term amended; and (c) is signed by duly authorized representatives of TEXTUM and BUYER.

21. **NOTICES.** All notices, consents, communications or transmittals under the Agreement shall be in writing and shall be deemed received on the day of delivery if delivered by hand, by nationally recognized overnight courier or delivery service, or by facsimile (with written confirmation of the completed transmittal); or within three (3) business days if mailed by United States mail as certified or registered mail with return receipt, postage prepaid, addressed to the party to whom such notice is given at the address of such party stated in the Purchase Order.

22. **INDEPENDENT CONTRACTORS.** TEXTUM and BUYER are independent contractors only and are not partners, master/servant, principal/agent or involved herein as parties to any other similar legal relationship with respect to the transactions contemplated under the Agreement or otherwise, and no fiduciary, trust or advisor relationship, nor any other relationship, imposing vicarious liability shall exist between the parties under the Agreement or otherwise at Law.

23. **NO THIRD PARTY BENEFICIARIES.** The Agreement is solely for the benefit of TEXTUM and BUYER and shall not be deemed to confer upon or give to any third party any right, claim, cause of action or interest herein except as set forth herein.

24. **TERMINATION.** This Agreement shall remain in effect until terminated. This Agreement may be terminated by either party upon thirty (30) days written notice by either party; provided, however, and any outstanding Purchase Order and any disputes with regards to matters and purchases made or completed during this Agreement shall continue to be governed by this Agreement as if it had not been terminated.

25. **MISCELLANEOUS.** The terms and conditions in this Agreement supersede any terms and conditions of previous dates. The captions and section headings set forth in the Agreement are for convenience only and shall not be used in defining or construction of any of the terms and conditions of the Agreement. Waiver by either party of any breach of the terms and conditions contained herein will not be construed as a waiver of any other or continuing breach. The invalidity or unenforceability of any provision of the Agreement shall not affect the validity or enforceability of its other provisions. This Agreement shall not be deemed a requirements contract or partial requirements contract. No course of dealing, course of performance, or usage of trade shall be considered in the interpretation or enforcement of the Agreement