

Purchase Order Terms and Conditions

This purchase order is an offer by Tuftco Corporation ("**Tuftco**") for the purchase of the goods specified on the accompanying purchase order (the "**Goods**") from the party to whom the purchase order is addressed (the "**Seller**") in accordance with and subject to these terms and conditions (the "**Terms**"; together with the terms and conditions on the purchase order, the "**Order**"). This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller's acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions of sale or any other document issued by Seller in connection with this Order. These Terms apply to any repaired or replacement Goods provided by Seller. Tuftco is not obligated to any minimum purchase or future purchase obligations unless specified in the Order.

Acceptance. This Order is not binding on Tuftco until Seller accepts it in writing. Seller must accept the Order in writing within 7 calendar days of Seller's receipt of the Order. Tuftco may withdraw the Order at any time before it is accepted by Seller.

Delivery Date. Seller shall deliver the Goods in the quantities and on the date(s) specified in this Order or as otherwise agreed in writing by the parties (the "**Delivery Date**"). If Seller fails to deliver the Goods in full on the Delivery Date, Tuftco may terminate the Order immediately by providing written notice to Seller, and Seller shall indemnify Tuftco against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller's failure to deliver the Goods on the Delivery Date.

Quantity. If Seller delivers more or less than the quantity of Goods ordered, Tuftco may reject all or any excess Goods. Any such rejected Goods shall be returned to Seller at Seller's risk and expense.

Delivery Location. All Goods shall be delivered to the address specified in this Order (the "**Delivery Location**") during Tuftco's normal business hours or as otherwise instructed by Tuftco.

Title and Risk of Loss. Title passes to Tuftco upon delivery of the Goods to the Delivery Location. Seller bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location.

Packaging. All goods shall be packed for shipment according to Tuftco's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition.

Amendment and Modification. No change to this Order is binding upon Tuftco unless it is in writing, specifically states that it amends this Order and is signed by an authorized representative of Tuftco.

Inspection and Rejection of Nonconforming Goods. Tuftco has the right to inspect the Goods on or after the Delivery Date. Tuftco, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Tuftco rejects any portion of the Goods, Tuftco has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Tuftco requires replacement of the Goods, Seller shall, at its expense, pay for all related expenses, including, without limitation, transportation charges for the return of the defective goods and the delivery of replacement Goods. Any inspection or other action by Tuftco under this Section shall not reduce or otherwise affect Seller's obligations under the Order, and Tuftco shall have the right to conduct further inspections after Seller has carried out its remedial actions.

Price. The price of the Goods is the price stated in the Order (the "**Price**"). No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Tuftco.

Warranties. Seller warrants to Tuftco that all Goods will: (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications, drawings, designs, samples and other requirements specified by Tuftco; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Tuftco. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Tuftco's discovery of the noncompliance of the Goods with the foregoing warranties.

Intellectual Property Indemnification. Seller shall, at its expense, defend, indemnify and hold harmless Tuftco and any Indemnitee against any and all Losses arising out of or in connection with any claim that Tuftco's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Tuftco's or the applicable Indemnitee's prior written consent.

Compliance with Law. Seller is in compliance with and shall comply with all applicable laws, regulations and ordinances. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order. Seller shall comply with all export and import laws of all countries involved in the sale of Goods under this Order.

Termination. Tuftco may terminate this Order, in whole or in part, at any time for cause with immediate effect upon written notice to Seller, either before or after the acceptance of the Goods, if Seller has not performed or complied with any of these Terms, in whole or in part. If Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then Tuftco may terminate this Order upon written notice to Seller. If Tuftco terminates the Order for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Tuftco prior to the termination.

Confidential Information. All non-public, confidential or proprietary information of Tuftco, including, without limitation, specifications, designs, drawings, documents, data, pricing, discounts or rebates, disclosed by Tuftco to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Tuftco in writing. Upon Tuftco's request, Seller shall promptly return all documents and other materials received from Tuftco. Tuftco shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to Seller at the time of disclosure; or (c) rightfully obtained by Seller on a non-confidential basis from a third party.

Force Majeure. Neither party shall be liable to the other for any delay or failure in performing its obligations under the Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("**Force Majeure Event**"). Seller's economic hardship or changes in market conditions are not considered Force Majeure Events. Seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under the Order.

Assignment. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of Tuftco. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve Seller of any of its obligations hereunder.

Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Order.

Governing Law. All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the State of Tennessee without giving effect to any choice or conflict of law provision or rule (whether of the State of Tennessee or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Tennessee.

Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or relating to this Order shall be instituted in the federal courts of the United States of America or the courts of the State of Tennessee in each case located in the City of Chattanooga and County of Hamilton, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

Cumulative Remedies. The rights and remedies under this Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

Notices. All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to the parties at the addresses set forth on the accompanying Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

Severability. If any term or provision of this Order is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Survival. Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, without limitation, the following provisions: Setoff, Warranties, Indemnification, Insurance, Compliance with Laws, Confidentiality, Governing Law, Submission to Jurisdiction and Survival.