

EMPLOYMENT AGREEMENT RELATING TO
CONFIDENTIAL BUSINESS INFORMATION,
TRADE SECRETS AND NONCOMPETITION

THIS AGREEMENT is made and entered into this 14 day of DEC., 2007 by and between TSG INCORPORATED, a corporation organized and operating under the laws of the Commonwealth of Pennsylvania and having its principal offices in North Wales, Pennsylvania (hereinafter "TSG" shall mean TSG Incorporated and its various divisions through which it does business, including SynFin Industries, Combeau Industries, Synthetics Finishing, and Long View Machinery and any successors or assigns of TSG) and KEITH BOLLINGER, an employee of TSG, currently residing at 4273 SPRING RD. CONOVER, NC, (hereinafter "Employee").

RECITALS:

WHEREAS, TSG has offered the Employee increased compensation, including a raise in salary and/or bonus pay, contingent on and in consideration of employee's executing this Agreement;

WHEREAS, in connection with the Employee's duties as QUALITY CONTROL the Employee has access to and/or is provided with and, in some circumstances, prepares and creates confidential and proprietary business information and trade secrets belonging to TSG including, but not limited to, client and customer information and customer lists, trade secrets, other confidential and proprietary business information, TSG's advantages among its competitors and suppliers, all of which are of substantial value to TSG in its business;

WHEREAS, as a condition of employment and the receipt of increased compensation, TSG has required assurance by the Employee that TSG confidential and proprietary business information and trade secrets will be fully protected as hereinafter provided and that both during and after the term of employment the Employee will not compete against TSG except as hereinafter permitted; and

WHEREAS, the Employee is desirous of continuing employment with TSG as aforesaid and the substantial benefits to the Employee flowing therefrom, and as a

condition thereof the Employee is willing and has agreed to abide by and faithfully observe the obligations of the Employee set forth herein.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter provided, and intending to be legally bound hereby, TSG and the Employee hereby covenant, promise and agree as follows:

PROVISIONS:

1. Acknowledgements of the Employee.

The Employee acknowledges that, in connection with the Employee's employment as QUALITY CONTROL and in consideration of this Agreement, the Employee receives or becomes eligible to receive consideration, including but not limited to salary and employee benefits and the opportunity for future advancement in the company. The Employee further acknowledges that the position of QUALITY CONTROL and all benefits and potential benefits to the Employee from employment in that capacity are conferred by TSG upon the Employee only because and on condition of the Employee's willingness to commit the Employee's best efforts and loyalty to TSG including abiding by the confidentiality, noncompetition and other provisions hereof. The Employee also acknowledges that any breach by the Employee of this Agreement will constitute a violation of the terms and conditions of the employment relationship between the Employee and TSG and may result in the immediate termination by TSG of said employment relationship, including salary and all other benefits. The Employee further acknowledges that, in the event of any violation of this Agreement by the Employee, monetary damages alone will be inadequate to compensate TSG and TSG will be entitled to injunctive relief against the Employee in addition to any other remedies provided by law or in equity.

2. Confidentiality:

a. The Employee recognizes and acknowledges that during the term of employment with TSG the Employee has access to, learn, be provided with and, in some cases, will prepare and create certain confidential and proprietary business information and trade secrets of TSG including but not limited to client and customer information and customer lists, secrets, trade secrets, other confidential and proprietary business

information, TSG's advantages among its competitors and suppliers, all of which are of substantial value to TSG in its business.

b. The Employee understands and agrees that if, during the term of employment or at any time thereafter, the Employee discloses to third parties, uses for the Employee's own benefit or for the benefit of third parties, or copies or makes notes of any of the aforementioned confidential and proprietary information and trade secrets except as may be required by the Employee's duties with TSG, such conduct shall constitute a breach of this Agreement and of the confidence and trust bestowed upon the Employee by TSG and the Employee herein expressly agrees that injunctive relief, in addition to any other remedies provided by law or in equity, shall be necessary and appropriate in the event of such conduct by the Employee.

c. The Employee agrees not to use or cause to be used for the Employee's own benefit or for the benefit of any third parties or to disclose to any third party in any manner, directly or indirectly, any information of a confidential or proprietary nature, trade secrets or any other knowledge or information, except that which is public knowledge, of our relating to the business of TSG at any time during or after the Employee's term of employment with TSG without the express prior written consent of TSG.

d. The Employee agrees to return to TSG either before or immediately upon the termination of the Employee's employment with TSG any and all written information, materials or equipment which constitutes, contains or relates in any way to proprietary or confidential information or trade secrets of TSG and any other documents, equipment and materials of any kind relating in any way to the business of TSG which are or may be in the possession, custody and control of the employee and which are or may be the property of TSG whether confidential or not, including any and all copies thereof which may have been made by or for the Employee.

e. The Employee agrees that, during the term of employment with TSG and thereafter, and except as may be required in the performance of the Employee's duties with TSG, the Employee will not utilize for the Employee's own benefit or that of any third party and will not use or disclose to any third party the Employee's knowledge of or any information concerning the internal organization or business structure of TSG or the

work assignments or capabilities of any officer and/or employee of TSG without the express prior written consent of TSG.

f. For the purpose of paragraph 2, the term "Confidential Information, shall mean information which is not generally known to the public relating to the disclosing party's business, research or development including, but not limited to, the proposed and any resulting business relationship between the parties, products, services, cost and pricing structures, accounting and business methods, analyses, drawings, reports, computer software (including operating systems, applications and program listings), data bases, data, documentation, configurations, algorithms, flow charts, manuals, trade secrets, technology, know-how, formulae, inventions, designs, developments, devices, methods and processes (whether or not patentable or copyrightable and whether or not reduced to practice or fixed in a tangible medium), identities and information regarding a party's suppliers, clients and customers and their confidential information, suppliers and supplier lists, together with information obtained or disclosed by inspection of samples, equipment or facilities and all similar and related information in whatever form or medium; provided, however, that any of the foregoing shall not be considered Confidential Information if the receiving party demonstrates that it:

- 1) has become publicly known through no wrongful act or breach of obligation of confidentiality;
- 2) was in the lawful knowledge of the receiving party prior to the time of disclosure hereunder; or
- 3) was rightfully received from a third party without a breach of any obligation of confidentiality by such third party.
- 4) was independently developed by the receiving party without use of the disclosing party's Confidential Information.

3. Noncompetition Agreement.

The Employee agrees that:

a. During the Employee's term of employment with TSG the Employee will not compete in any way with TSG directly or indirectly, and will not consult with or have any interest in any business, firm, person, partnership, corporation or other entity, whether as employee, officer, director, agent, security holder, creditor, consultant or

otherwise, which engages in, or intends to engage in, the performance of or provides Textile Finishing, or the manufacture of Textile Finishing machinery or equipment, a jobber, reseller, or dealers of used Textile Finishing machinery or equipment to any individual or entity or which competes with TSG directly or indirectly, in any aspect of the business of TSG.

b. During the period of two (2) years following the date of termination of the Employee's term of employment with TSG the Employee shall not, in the Prohibited Territory, without the express prior written consent of TSG (which shall not be unreasonably withheld), compete with TSG by engaging, as an employee or contractor, in the performance of Textile Finishing, engaging in the manufacture of Textile Finishing machinery or equipment, including but not limited to a jobber, reseller, or dealers of used textile machinery or equipment or engaging in sales, marketing or managerial services for any individual or entity that competes with TSG directly or indirectly within the Prohibited Territory.

c. As of the date of execution of this Agreement, the Principal Place of Assignment of the Employee is HICKORY, NC; the Employee understands that the aforementioned Principal Place of Assignment may be altered from time to time during the Employee's term of employment.

d. For the purposes of paragraph 3, the term "Textile Finishing" is defined as the application (and utilization, design or enhancement of machinery for the application) of chemicals or mechanical surface treatments to woven, knit or nonwoven fabrics in order to impart the following properties: repellency (hydrophobic enhancement), absorbency (hydrophilic enhancement), back coating, face coating, immersions, fire retardancy, heat-resistance, UV resistance, lamination, softening (mechanical and chemical), anti-microbial and bacterial, anti-crocking, drying, shrinking, puffing, decating, heat-setting, release surface enhancement, non-skid surface enhancement, perfume application, odor eradication, other specialty chemical applications, sanding, napping, needling, crushing, condensing, calendaring, perforating, embossing/engraving, slitting, trimming, winding, folding, plaiting, straightening, and other mechanical finishes.

e. For the purposes of paragraph 3, the term "Prohibited Territory" shall mean:

- 1) the State of the Employee's Principal Place of Assignment as of the execution of this Agreement;
- 2) the State of the Employee's Principal Place of Assignment as of the end of Employee's employment with TSG;
- 3) the States of:
 - a. Pennsylvania, and
 - b. North Carolina;
- 4) the States in which TSG's primary competition is located (including, but not limited to, South Carolina, Georgia, Tennessee, Michigan, New Jersey, Maryland, Virginia, Massachusetts, Connecticut, Rhode Island, New York, Ohio, Florida, Illinois, Texas, and Missouri);
- 5) The United States;
- 6) North America.

4. Representations by the Employee.

The Employee hereby represents that the Employee has read and fully understands the Employee's duties and obligations as set forth herein and agrees that such duties and obligations would not unduly restrict or curtail the Employee's legitimate efforts to earn a livelihood following any termination of the Employee's employment with TSG. Employee further agrees that the two-year restriction and the application of the limited restrictions throughout the United States and North America are reasonable given TSG's leadership role in the Textile Finishing business.

5. Severability.

If any term, provision or paragraph of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable for any reason, such determination shall not affect the remaining terms, provisions or paragraphs of this Agreement which shall continue to be given full force and effect. If any term, provision or paragraph of this Agreement shall be determined by a court of competent jurisdiction to be unenforceable because of the duration thereof or the geographical area included therein, the parties hereby expressly agree that the court making such determination shall

have the power to reduce the duration and/or restrict the geographical area of such term, provision or paragraph and/or to delete such specific words or phrases which the court shall deem necessary to permit enforcement of such term, provision or paragraph in restricted form. Should any court of competent jurisdiction find any term, provision or paragraph of this Agreement invalid or unenforceable, or enforceable only in restricted form then any such finding shall apply only to the jurisdiction of such Court and shall not serve to alter or amend this Agreement in any other jurisdiction.

6. Successors and Assigns.

This Agreement shall be binding upon the Employee and all of the Employee's heirs and legal representatives and shall be binding upon and inure to the benefit of TSG its successors and assigns.

7. Governing Law.

This Agreement shall be construed and the rights and obligations of the parties hereunder shall be governed by the laws of the Commonwealth of Pennsylvania.

8. Notices.

Any notices required or permitted pursuant to this Agreement shall be sufficient if sent by TSG by certified mail, postage prepaid, to the Employee's then-current residential address as shown in the employment records of TSG and if sent by the Employee by certified mail, postage prepaid, to the offices of TSG in North Wales, Pennsylvania.

9. Waiver of Breach.

The waiver by TSG of a breach by the Employee of any provision or covenant of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the Employee.

10. Captions.

The captions of the paragraphs and provisions of this Agreement are for convenience only and shall not affect in any way the meaning or interpretation of this Agreement or any of the provisions hereof.

This Agreement constitutes the entire and only understanding and agreement between the parties hereto with respect to the subject matter hereof and, except as expressly set forth herein, may be amended only by a writing signed by each of the parties hereto. All prior or contemporaneous understandings, discussions or agreement with respect to said subject matter are expressly superseded by this Agreement.

EMPLOYEE:

By: Paul J. Kelly Attorney Joel Rounot 12/24/08
Date

Karin M. Jones [Signature]
WITNESS WITNESS