



Terms and Conditions

1. PURCHASE ORDER: This Purchase Order constitutes an offer to buy goods or services ("Goods") according to the description and other terms as outlined and set forth on its face and reverse side. Acceptance of this order is limited to the terms and conditions hereof. Zep Sales & Service Canada ("Zep") hereby objects to additional or different terms offered by Seller in its sales order acknowledgement, invoice or any other document of Seller. Such additional or different terms shall not become a part of this Purchase Order without the express written consent of Zep. Seller's issuance of a sales order acknowledgement, shipment of goods, or commencement of work hereunder shall constitute acceptance of this order.

2. DELIVERY: Delivery shall be made at such place or places as Zep may specify, in accordance with the shipping instructions established by Zep in this Purchase Order or in subsequent notices to Seller. TIME IS OF THE ESSENCE in fulfillment of this Purchase Order. Seller shall keep Zep fully informed of progress under this Purchase Order and promptly notify Zep whenever there is doubt that delivery will be effected on schedule. Seller shall follow Zep's instructions as to manner of shipment, carriers, routing, prepayment of freight, and other matters. If by reason of Seller's progress under this Purchase Order or otherwise, there is reasonable expectation that delivery schedules will not be met, Zep may, at its option: (i) without liability, cancel Zep's obligation under this Purchase Order as to the Goods which have not been delivered, (ii) effect cover, and (iii) charge Seller with any loss incurred. If the Goods are delivered in advance of the delivery schedule, Zep may, at its option, (a) return the Goods at Seller's expense for redelivery at the proper time, (b) withhold payment for the Goods until such time as payment would have become due had delivery been made at the time provided for in this Purchase Order, or (c) place the Goods in storage at Seller's expense and for Seller's account until the time provided for delivery. Unless otherwise specified by Zep in writing, all shipments under this Purchase Order shall be FOB Destination (Zep's specified location), and Seller shall arrange for shipping and insurance and shall bear the risk of loss until delivery at such location.

3. PRICE: Prices stated on this Purchase Order apply to all shipments made hereunder and Seller warrants that the prices do not exceed the prices Seller charges other buyers for the same type of product in comparable quantities. Zep shall have no obligation to honor invoices for Goods at any increased price until such increase has been confirmed in writing by Zep's authorized agent. Seller shall separately state on its invoices the amount of any tax applicable to the sale under this Purchase Order and payable by Zep in the absence of evidence of lawful exemption. Unless otherwise expressly stated on the Purchase Order, the price set forth on the Purchase Order shall include all charges, freight, and packaging.

4. INVOICE AND SHIPPING DOCUMENTS: Immediately upon shipment of the Goods, Seller shall mail to Zep at Edmonton, Alberta (or as otherwise directed herein), an invoice for the Goods shipped, which shall accurately set forth the date, place and mode of shipment (including, in the case of carload, identification of the car and routing thereof), the number of packages or other containers shipped, the contents of each package or other container, and the Purchase Order number. There shall be included with such invoice a copy of each shipping document, including express receipts. Zep agrees to pay all undisputed amounts reflected on each invoice within sixty (60) days following receipt thereof or by such other date as set forth herein.

5. WARRANTY: Seller warrants that all Goods delivered in accordance with this Purchase Order shall conform to the published specifications or standards furnished, and any applicable Manufacturer Safety Data Sheet ("Specifications") and will consist of all new materials, except as otherwise described in the Specifications; be merchantable, of good material and workmanship, and free from defect; and be governed by and be produced and provided in compliance with all applicable laws and regulations. Except to the extent that Seller has been expressly and specifically exempted, in writing, from design responsibility, Seller further warrants that the Goods will be fit for the particular purpose for which they are intended and manufactured. Seller further represents and warrants that Zep will receive, at the time of delivery, good and marketable title to the Goods free of all liens, claims and encumbrances. The warranties contained herein on the part of Seller shall survive delivery and inspection of the Goods and shall inure to the benefit of Zep and its customers.

6. COMPLIANCE WITH LAWS: Seller shall comply with all national, provincial, and municipal laws, and the rules, regulations and orders thereunder, including without limitation all laws relating to the shipment of goods, environmental protection and occupational health and safety.

7. CONFORMANCE WITH WARRANTIES-REJECTIONS: Seller, will at its expense, perform such tests and inspections of the Goods as are required to confirm that the Goods conform to the warranties of paragraph 5. If any of the Goods are found to be defective in material or workmanship, or otherwise not in conformity with the requirements of this Purchase Order, prior to shipment to a customer of Zep, Zep may reject such Goods and rejection will be effected by written notice to Seller (e-mail notice shall also be sufficient notice under this paragraph). Rejected Goods will be held by Zep for a reasonable time for disposition at Seller's risk and expense, and Zep will take a credit against future amounts due to Seller at full billing price, including freight, packaging, and a reasonable charge to cover inspection and handling, with respect to such Goods. Zep may require replacement of rejected Goods, but no replacement shall be made unless ordered in writing by Zep. Payments for Goods prior to inspection shall not constitute acceptance, nor will acceptance remove Seller's responsibility for latent defects.

In the event any Goods are found to be defective in material or workmanship, or otherwise not in conformity with the requirements of this Purchase Order, subsequent to shipment to a customer of Zep, Zep will notify Seller within a reasonable time following discovery of such defect or other warranty breach. Zep shall then return such Goods to Seller, FOB Zep or Zep's customer's facility. Seller shall be responsible for the full cost of repairing or replacing such Goods, at Zep's option and Seller's sole expense. Seller shall also bear all costs and expenses in connection with the shipment of Goods to or from Zep pursuant to the warranty provisions of Section 5. The replacement or repaired Product shall be covered by the foregoing warranties commencing on the date the replacement or repaired Product is delivered to Zep or its designee.

8. INTELLECTUAL PROPERTY: Seller agrees to assume the defense of any legal action for infringement of patents, trademarks, copyright, or other intellectual property rights brought against Zep or its customers, based upon the Goods covered by this Purchase Order constituting a claimed infringement, and to indemnify and hold harmless Zep and said customers against any judgment or costs in such action (including, without limitation, fees and disbursements on a solicitor-client basis incurred by Zep), except to the extent that Seller has been expressly and specifically exempted, in writing, from such responsibility.

9. TOOLS, DIES, MOLDS, FIXTURES: All tools, dies, molds, fixtures, and other equipment which Zep furnishes to Seller or for which Zep makes any separately identified payment to Seller, or which are procured by Seller solely for use in the manufacture or production of the Goods to be furnished to Zep, shall be and remain the property of Zep, shall be used solely for the benefit of Zep, and shall be plainly marked or otherwise identified as the property of Zep. While in the possession of Seller, such property shall be maintained in first class operating condition at Seller's expense, insured and safely stored separate and apart from Seller's property, and will be promptly surrendered to Zep without additional cost upon written request.

10. INDEMNIFICATION AND INSURANCE: Seller agrees to defend, indemnify and hold harmless Zep, its officers, employees, and agents, from any expense, damage and/or liability, or product recalls, of whatsoever type or nature or howsoever incurred (including, without limitation, reasonable legal fees and other expenses incurred by Zep) (collectively, "Liabilities"), arising out of or incurred in connection with (i) Seller's performance under this Purchase Order, (ii) Seller's breach of its obligations and/or warranties set forth herein, or (iii) the purchase, use, rental, or resale by anyone of the Goods furnished hereunder. If this Purchase Order provides for Seller to render services, Seller agrees that such services are to be rendered by Seller as an independent contractor, that Zep is to have no responsibility for the acts of bodily injury to, death of, or loss of employment by Seller or Seller's agents or employees. Seller will, at Zep's option, defend such matters with legal counsel acceptable to Zep. Seller shall not, without the written consent of Zep, settle or compromise any Liabilities or consent to the entry of any judgment against Zep. Upon the request of Zep, Seller shall furnish Zep such fidelity and performance bonds as Zep may reasonably specify, evidence that Seller has adequate liability and property damage insurance, in amounts and with companies acceptable to Zep, and evidence that Seller has made adequate provisions for satisfying workers' compensation legislation, meeting at least all applicable statutory requirements. Seller shall submit to Zep certificates evidencing such coverage. All such policies shall provide that the coverage thereunder shall not be terminated or materially altered without at least thirty (30) days prior written notice to Zep.

11. SUSPENSION AND CANCELLATION WITHOUT INDEMNIFICATION: In the event Zep reasonably concludes that (a) by reason of war, terrorism, or other emergency conditions, national defense activities, inability to secure transportation, embargoes, strikes, differences with workers, accidents at Zep's plants, or any other similar or dissimilar contingency beyond Zep's reasonable control and arising subsequent to the date of this Purchase Order but before delivery, the Goods or any part thereof cannot be used by Zep for the purpose it intended as of the date of the Purchase Order, or (b) for any reason, including, without limitation, the financial condition of Seller, Seller's prior performance under this Purchase Order or any similar occurrence (including failure to meet reasonable delivery schedules and repeated failure to meet quality and specifications standards), or accidents or differences with workers at Seller's plants, Seller's timely performance under this Purchase Order is doubtful, then Zep may, at its election, by notice to Seller without indemnity to Seller or other liability on the part of Zep: (i) suspend shipment of the Goods or any part thereof, (ii) cancel this Purchase Order as to undelivered Goods or any part thereof, or (iii) so suspend shipment and, thereafter, during the period of suspension, cancel this Purchase Order.

12. TERMINATION WITHOUT CAUSE/BREACH BY SELLER: Zep may, at any time and without cause, terminate this Purchase Order in whole or in part by notice to Seller specifying the extent of such termination. In the event Seller breaches any of its obligations hereunder, Zep may, at any time, terminate this Purchase Order by notifying Seller thereof, and thereafter, Zep shall have no further obligations hereunder except to pay the undisputed amounts for any Goods received by Zep prior to the date of said termination.

13. TAXES: Unless separately stated, Seller agrees that all national and provincial excise, sales and other taxes (including without limitation goods and service tax) applicable to the sale or purchase of materials or articles, or applicable to Seller's work or to Seller's receipts for the performance of the work covered by this Purchase Order shall be paid by Seller, and Seller shall indemnify and hold Zep harmless from and against all liability for such taxes.

14. CONFIDENTIAL INFORMATION: Seller agrees to hold all confidential information and trade secrets, as defined by Alberta law, of Zep, including, but not limited to, designs and manufacturing information, in strict confidence and to not disclose said confidential information and trade secrets to any third party at any time or to use such information for any purpose except to fulfill its obligations to Zep under this Purchase Order; provided that said obligation with respect to confidential information shall commence on the date of this Purchase Order and continue until two (2) years following final fulfillment of Seller's obligations hereunder; provided, however, with respect to trade secret information, Seller's duties shall survive for so long as such information remains a trade secret.

15. GENERAL: Notice shall be in writing by registered mail, overnight delivery or facsimile transmission given to the parties at their respective addresses set forth in the Agreement. Seller shall not assign or delegate any of its rights or the performance of any of its obligations under this Purchase Order without written consent of Zep. Waiver by a party of any provision hereof shall not be deemed a waiver of future compliance therewith. Each party's remedies herein are cumulative and additional to any other rights and remedies provided in law or equity. Any disputes about the interpretation of this Purchase Order shall be determined in accordance with the provisions of *Arbitration Act* (Alberta), as amended from time to time. In the event of any arbitration or litigation involving this Purchase Order, the prevailing party shall be entitled to recover from the other party its legal costs and disbursements associated with such arbitration or litigation. The Section captions herein are for reference only and shall in no way limit or define the meaning of the provisions hereof. This Purchase Order, and any documents referred to on the face hereof, constitute the entire agreement between the parties, and supersede all other understandings or agreements related to the subject matter hereof. This Purchase Order shall be governed by and construed under the laws of the province of Alberta, and Seller hereby attorns to the exclusive jurisdiction of the applicable provincial courts located in the Province of Alberta.