



Standard Terms and Conditions of Sale

These terms and conditions govern the sale of Products (“Product or Products”) by ZEC LUBRICATION INC. (ZEC-L) and its affiliates (“Seller”) as well as by third party vendors and/or service providers of Seller. These terms and conditions (“Agreement”) take precedence over Buyer’s supplemental or conflicting terms and conditions to which notice of objection is hereby given. Neither Seller’s commencement of performance or delivery shall be deemed or construed as acceptance of Buyer’s supplemental or conflicting terms and conditions. ZEC-L’s failure to object to conflicting or additional terms will not change or add to the terms of this agreement. Buyer’s acceptance of the Products and/or Services from Seller shall be deemed to constitute acceptance of the terms and conditions contained herein.

1. **Orders:** All orders placed by Buyer are subject to acceptance by Seller. Orders may not be cancelled or rescheduled without Seller’s written consent. All orders must identify the products, unit quantities, applicable prices and requested delivery dates of the Products being purchased. Seller may in its sole discretion allocate Product among its Customers.
2. **Prices:** The prices of the Products are those prices specified on the front of the invoice. Pricing for undelivered Products may be increased in the event of an increase in Seller’s cost, change in market conditions or any other causes beyond the Seller’s reasonable control. Price quotations shall automatically expire in thirty (30) days from the date issued, or as otherwise stated in the quotation.
3. **Taxes:** Unless otherwise agreed to in writing by Seller, all prices quoted are exclusive of transportation and insurance costs, duties, tariffs and all taxes including federal, state and local sales, excise and value added, goods and services taxes, and any other taxes. Buyer agrees to indemnify and hold Seller harmless for any liability for tax in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon. When applicable, transportation and taxes shall appear as separate items on Seller’s invoice.
4. **Payment:** Payment may be made by cheque, money order, credit card, or wire transfer (all fees are borne by the Buyer). All credit card payments shall be deemed authorized by Buyer and Buyer agrees not to dispute or “charge back” any such credit card payments. Where Seller has extended credit to Buyer, terms of payment shall be net thirty (30) days from date of invoice, without offset or deduction. On any past due invoice, Seller may impose interest at the rate of one and a half percent [1.5%] per month. If Buyer fails to make each payment when it is due, Seller reserves the right to change or withdraw credit and thereby suspend or cancel performance under any or all purchase orders or agreements in which Seller has extended credit to Buyer. In the event of default by Buyer, Seller shall be entitled to costs, fees, and expenses, including but not limited to recovery of attorney fees, court costs and fees, and collections costs.

Where Seller has extended credit to Buyer, ZEC-L retains a purchase money security interest in all products sold by ZEC-L to Buyer, and in the proceeds of any resale of such products, until the purchase price and any other charges due to ZEC-L have been paid in full. Upon any breach by Buyer of these terms and conditions, ZEC-L will have all rights and remedies of a secured party under applicable law, which rights and remedies will be cumulative and not exclusive. Buyer is responsible for all costs and expenses incurred by ZEC-L in collecting any sums owing by Buyer (which may include, but are not limited to, collection agency and reasonable attorneys’ fees). ZEC-L shall have

the right to offset any sum owed by ZEC-L or any ZEC-L subsidiary to Buyer against any sum owed by Buyer to ZEC-L or any ZEC-L subsidiary.

ZEC-L may assign accounts receivable to a ZEC-L affiliate. In order to defray the cost of Buyer account administration, any credit balance, or sum owed to Buyer, which remain unclaimed by Buyer for a period of twelve (12) months will become the property of ZEC-L.

5. **Delivery and Title:** All deliveries will be made “F.O.B.” place of shipment. Title and risk of loss pass to the Buyer upon delivery of the Product to the carrier. Seller’s delivery dates are estimates only and Seller is not liable for delays in delivery or for failure to perform due to causes beyond the reasonable control of the Seller, nor shall the carrier be deemed an agent of the Seller. A delayed delivery of any part of an Order does not entitle Buyer to cancel other deliveries.
6. **Acceptance / Returns:** Shipments will be deemed to have been accepted by Buyer upon delivery of the said shipments to Buyer unless rejected upon receipt. Buyer shall perform all inspections and tests Buyer deems necessary as promptly as possible but in no event later than 7 days after delivery of product, at which time Buyer will be deemed to have irrevocably accepted the Products. Any discrepancy in shipment quantity must be reported within 10 days after delivery. Buyer may not return Products without a return material authorization (“RMA”) number. Any product returned by Buyer due to Buyer’s error may be subject to a restocking charge equivalent to 50% of the value of such Product as specified in Seller’s invoice to Buyer.
7. **Limited Warranty**
 - a) Subject to the limitations set forth in this Article 13, ZEC-L warrants that Products sold to Distributor will be free from defects in material and workmanship under normal and proper use, for a period of one (1) year; provided that the warranty shall only apply if the defective Products are returned to ZEC-L and notice of the defect is received by ZEC-L within the warranty period, and examination of the Products by ZEC-L demonstrates that the Products were not misused, abused, improperly handled, tampered with or used in an unauthorized manner.
 - b) Except as otherwise provided herein, to the extent permitted by law, THE FOREGOING LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, AND ZEC-L DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE PRODUCTS INCLUDING ANY ENHANCEMENTS, RELEASES OR CUSTOMIZATIONS THERETO WILL MEET DISTRIBUTOR’S OR END-USER CUSTOMER’S NEEDS OR WILL BE ERROR FREE regardless of whether ZEC-L knows or had reason to know of Distributor or end-user customer’s particular needs.
 - c) No employee, agent, or distributor of ZEC-L is authorized to modify this warranty, nor to make any additional warranties. DISTRIBUTOR HAS NO AUTHORIZATION TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF ZEC-L RELATING TO THE PRODUCTS EXCEPT FOR THE EXISTING WRITTEN WARRANTY FOR THE PRODUCTS (AS PROVIDED TO THE DISTRIBUTOR IN WRITING BY ZEC-L AND AS MAY BE AMENDED BY ZEC-L FROM TIME TO TIME IN ZEC-L’S SOLE AND ABSOLUTE DISCRETION).
 - d) Except as otherwise provided herein, THE REMEDY FOR ZEC-L’S LIMITED WARRANTY UNDER THIS SECTION ABOVE IS LIMITED, IN THE DISCRETION OF ZEC-L, TO REPLACING THE PRODUCTS FREE OF CHARGE
 - e) IN NO EVENT WILL ZEC-L BE LIABLE TO DISTRIBUTOR OR END-USER CUSTOMER FOR ANY LOST REVENUE, LOST PROFITS, OR ANY CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR INDIRECT DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOST PROFITS OR LOST SAVINGS ARISING FROM THE USE OR THE INABILITY TO USE THE PRODUCTS (EVEN IF ZEC-L OR DISTRIBUTOR HAS BEEN

ADVISED OF THE POSSIBILITY OF THESE DAMAGES), OR FOR ANY CLAIM BY ANY OTHER PARTY.

f) NOTWITHSTANDING THE ABOVE, IN RESPECT OF ANY CLAIM, DEMAND OR ACTION BY DISTRIBUTOR OR END-USER CUSTOMER AGAINST ZEC-L OR ANY OF ITS EMPLOYEES, DIRECTORS, OFFICERS, OR AGENTS WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, INCLUDING A BREACH BY ZEC-L OF ANY OF ITS OBLIGATIONS UNDER THIS AGREEMENT (WHETHER OR NOT A FUNDAMENTAL BREACH), DISTRIBUTOR AND CUSTOMER'S SOLE AND EXCLUSIVE REMEDY SHALL BE TO RECEIVE FROM ZEC-L PAYMENT FOR ACTUAL AND DIRECT DAMAGES TO A MAXIMUM AGGREGATE AMOUNT EQUAL TO THE AMOUNT PAID BY DISTRIBUTOR OR END-USER CUSTOMER TO ZEC-L IN THE TWELVE (12) MONTHS PRECEDING THE DATE OF THE CLAIM, NOT TO EXCEED \$5,000, PURSUANT TO THIS AGREEMENT.

8. **Force Majeure:** Seller is not liable for failure to fulfill its obligations for any accepted Order or for delays in delivery due to causes beyond Seller's reasonable control including, but not limited to, acts of God, natural or artificial disaster, riot, war, strike, delay by carrier, shortage of Product, acts or omissions of other parties, acts or omissions of civil or military authority, Government priorities, changes in law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, acts of terrorism, delays in transportation or inability to obtain labor, materials or Products through its regular sources, which shall be considered as an event of force majeure excusing Seller from performance and barring remedies for non-performance. In an event of force majeure condition, the Seller's time for performance shall be extended for a period equal to the time lost as a consequence of the force majeure condition without subjecting Seller to any liability or penalty. Seller may, at its option, cancel the remaining performance, without any liability or penalty, by giving notice of such cancellation to the Buyer.
9. **Technical Assistance or Advice:** If technical assistance or advice are offered or given to Buyer, such assistance or advice is given free of charge and only as an accommodation to Buyer. Seller shall not be held liable for the content or Buyer's use of such technical assistance or advice nor shall any statement made by any of Seller's representatives in connection with the Products or Services constitute a representation or warranty, express or implied.
10. **General:** (a) The laws of the Province of Ontario will exclusively govern any dispute between Seller and Buyer; (b) Buyer may not assign this Agreement without the prior written consent of Seller; (c) Seller or its affiliates may perform the obligations under this Agreement; (d) This Agreement is binding on successor and assigns; (e) All sums of money referred to in this Agreement are expressed in Canadian Dollars unless otherwise stated.