



Code of Ethical Business Conduct

The Petroleum Quality Institute of America (PQIA) Code of Ethical Business Conduct (Code) is the cornerstone of the PQIA initiative as it clearly and strictly defines the standards by which PQIA and its management, employees, and supporter ("Supporters") will conduct business in the lubricants marketplace.



Petroleum Quality Institute of America

CODE of ETHICAL BUSINESS CONDUCT

Preamble

The primary mission of The Petroleum Quality Institute of America (PQIA) is to serve the consumer of lubricants by testing and reporting on the quality and integrity of lubricants in the marketplace. It is expected that this improved visibility of quality will lead to wider conformance by lubricant manufacturers to specification and performance claims.

PQIA supporters have a commitment to PQIA's mission and to conduct themselves to a high level of ethical conduct, and comply with the requirements set forth by API, the ACC, and government regulations as they pertain to the manufacturing and marketing of lubricants.

CODE OF CONDUCT AGREEMENT

The Petroleum Quality Institute of America (PQIA) Code of Ethical Business Conduct (Code) is the cornerstone of the PQIA initiative as it clearly and strictly defines the standards by which PQIA and its management, employees, and supporter ("Supporters") will conduct business in the lubricants marketplace. It is the intent of PQIA that this Code will ensure that all PQIA Supporters conduct themselves to a high level of ethical conduct, and comply with the requirements set forth by API, the ACC, and government regulations as they pertain to the manufacturing and marketing of lubricants. A key to this Code is that PQIA's Supporters commit to comply with the Code and to provide reasonable access to their products for checks of such compliance. It is understood that failure to comply with the Code will result in the termination of any affiliation with PQIA.

AGREEMENT AND COMPLIANCE

PQIA Supporters agree to comply with the PQIA Code for products which they manufacture or package or sell or represent to the marketplace. While this does not obligate Supporters to exercise ethical business conduct Code control over others who obtain and market their products, Supporters do accept the obligation to report their observed violations of the Code by others to PQIA. The Code is as follows:

1) PRODUCT QUALITY AND INTEGRITY

a) Lubricant blenders and packagers agree:

- i. Any product represented or sold as a motor or engine oil must conform to and be clearly identified with:
 - a. an SAE viscosity grade as per SAE J300
 - b. an API service category or other description of the service for which the product is intended.
- ii. That all their products that are represented and/or sold as API licensed must be licensed, and must conform to the requirements of the API, the ACC Code of Practice, and API 1509.
- iii. That all their products that are not API licensed but for which they claim or imply are suitable for, or meet the requirements of, a current API service category must have verifiable documentation that they meet all the specifications and test requirements for the claimed or implied API service category.
- iv. That all their products that claim to meet a now obsolete API service category must have verifiable documentation that they meet the intended performance of the API category.
- v. That all their products that are represented as either OEM licensed or OEM approved does have such licenses or approvals.
- vi. That all their products that are not OEM licensed or approved but are represented as suitable for use for those OEM intended applications must have verifiable documentation that such product is suitable for such use.
- vii. That all their products that claim to meet a now obsolete OEM specification must have verifiable documentation that they meet the intended performance of the now obsolete specification.

- viii. That the labels on their products sold as motor oils for use in gasoline engines will include a statement indicating the API service category, or the suitable automobile model years as specified in SAE J183. For obsolete classifications, the recommended labeling practice statement found in Appendix A of J183, or equivalent is required. By way of example: For SA oils the following statement from SAE J183 or equivalent is required:

"CAUTION - THIS OIL IS RATED API SA. IT CONTAINS NO ADDITIVE. IT IS NOT SUITABLE FOR USE IN MOST GASOLINE-POWERED AUTOMOTIVE ENGINE BUILT AFTER 1930. USE IN MODERN ENGINES MAY CAUSE UNSATISFACTORY ENGINE PERFORMANCE OR EQUIPMENT HARM."

- x. To comply with applicable laws embodied in the current edition of NIST Handbook 130, Uniform Laws and Regulations in the Areas of Legal Metrology and Fuel Quality, as they pertain to motor oils, recreational motor oils, gear oils, transmission fluids, and tractor hydraulic fluids. That their products are labeled in accordance with applicable U.S. Federal and State law and regulatory requirements.
- xi. To include a legible and permanent batch number on all their packages that identifies the lot and date of the packaging.
- xii. That their products will be subject to periodic sampling and testing by PQIA.
- xiii. That their certificates of analysis, invoices, sales and marketing material, product labeling and other material that describes the properties and/or performance of products are accurate, not misleading, and in compliance with regulatory requirements; and that their advertising, marketing and promotional materials will not contain inaccurate, misleading or deceptive statements, or unsupported representations of product quality and/or performance.

b) Additive Companies agree:

- i) That they will conform to the ACC Code of Practice and API 1509.

c) Lubricant distributors agree:

- i) That they will not alter, mislabel, commingle, or otherwise compromise branded lubricant products that they distribute for another manufacturer.
- ii) That their labels, invoices, and sales and marketing materials, will identify the SAE viscosity grade and the API service category for all gasoline and diesel engine oils sold.

- iii) That they will comply with applicable laws embodied in the current edition of NIST Handbook 130, Uniform Laws and Regulations in the Areas of Legal Metrology and Fuel Quality, as they pertain to motor oils, recreational motor oils, gear oils, transmission fluids, and tractor hydraulic fluids.
- iv) That they will provide reasonable access to products for sampling and testing by PQIA.

d) Retailers agree:

- i) That they will not knowingly offer for sale mislabeled, misleading, or misrepresented products.
- ii) That if they have service bays, they will provide reasonable access to bulk lubricants for sampling and testing by PQIA.

2. ANTITRUST AND ANTIBRIBERY CONSIDERATIONS

When engaged in PQIA activities and dealing with other PQIA Supporters, PQIA and its Associates shall not engage in any activities or behavior which could be construed as violating antitrust laws. Antitrust and competition laws are very complex, but generally these laws prohibit, among other things, agreements or understandings between competitors that fix prices or bids, set levels of production or purchases by individual companies, allocate markets or customers, or otherwise restrict competition. Thus, both in formal PQIA-related meetings or side meetings or social gatherings incidental to PQIA-related meetings, PQIA Associates should not, in fact or appearance, discuss or exchange information on (1) individual company prices, credit terms, cost, production, capacity, inventory, sales, and the like; (2) industry price levels, changes, differentials, etc.; (3) individual company strategies and plans concerning the design, production, distribution or marketing of products (including territories and customers), (4) industry production, capacity and inventory changes; (5) bids on contracts for particular products; and (6) matters relating to the financial stability, payment history, supply reliability, or otherwise of suppliers or customers where such discussion could lead to excluding them from any market or influencing individual company behavior or decision-making concerning such supplier or customer. PQIA requires not only that its Associates refrain from activities and behavior that may violate the law, but also that they avoid activities and behavior creating the appearance of impropriety. PQIA Associates are strongly advised to regularly consult with their respective lawyers to ensure understanding and adherence to antitrust laws, in particular when engaged in PQIA activities and dealing with other PQIA Associates.

No PQIA Supporter will offer, make, solicit, or except any bribe, kickback, or other improper payments in connection with any PQIA related activities.

3. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

Patents, trademarks, copyrights, test data, batch code legends, and trade secrets are all considered to be intellectual property. PQIA has an obligation to protect these assets and to respect the intellectual property rights of others. As part of this obligation, PQIA may not make unauthorized use or copies of copyrighted documents and/or computer files, e-mails and/or other information and communications identified as confidential.

4. NON-COMPLIANCE

Any PQIA Supporter found to be in non-compliance with this Code will be notified by PQIA of such non-compliance and will have 60 days to remedy the issues leading to the non-compliance, and will be required to work with PQIA to demonstrate that such compliance on a sustained basis is being maintained. Failure to remedy such non-compliance in accordance with the above will result in termination of association with PQIA. Further, in the event of termination with PQIA, any financial support previously provided to PQIA shall be forfeited. Notwithstanding the above, Supporter's products independently found by PQIA to be in non-compliance with stated claims will be promptly published by PQIA.

5. DYNAMIC DOCUMENT

This Code is a dynamic document. As a result, it will be changed as need be to better accomplish PQIA's mission, goals, values, and compliance with the law.

6. DISCLOSURE

A copy of this Code of Ethical Business Conduct shall be posted on the PQIA website at www.pqiamerica.com.

7. COMPLIANCE RESOURCES

The PQIA Office of Corporate Compliance is located at 406 Main Street, Metuchen, NJ 08840. Office hours are 9 a.m. to 5 p.m. EST Monday through Friday. The office can be contacted via mail or by phone at (732) 640-6797 during regular working hours.

I, THE UNDERSIGNED, AS A DULY AUTHORIZED OFFICER OF THE COMPANY HAVE READ AND AGREE TO COMPLY WITH THE PETROLEUM QUALITY INSTITUTE OF AMERICA CODE OF ETHICAL BUSINESS CONDUCT (CODE).

Signed: _____ Date: _____

Title: _____

Full Name: _____

Company name: _____