

Synthetic Lubricants and Filters, Inc.

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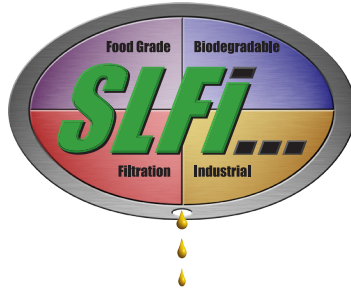
www.sfi.net

SLFi Consignment Program

The SLFi Consignment Program was created to assist our customers in achieving the maximum benefits for their purchase dollar.

The program is simple: it is designed to facilitate maximizing oil on-hand, saving money on freight and enabling the customer to purchase at lower costs.

When an accredited customer purchases through the Consignment Program, that customer is guaranteed no freight charges throughout the consignment period and a discount on products purchased through SLFi. There are no out-of-product problems if an emergency arises, such as a broken oil line.



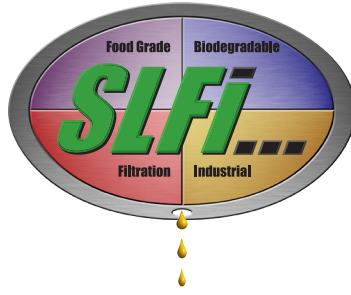
How Does the Consignment Program Work?

When a customer purchases five or more 55-gallon drums (275 gallons) of an SLFi synthetic oil product, that merchandise will not incur freight charges. Purchases may be for more than five drums and as many as twenty drums.

Keeping Track: a corresponding amount of numbered packing slips vs. drums will be mailed to the customer. The product is billed to the customer as it is used. For example: when a drum of oil is opened, a numbered packing slip is faxed or e-mailed to SLFi. Prior permission has been obtained from the customer to then charge to a Purchase Order number or Credit Card. This packing slip is synchronized with the numbered packing slips on file, and is attached to the final billing invoice. A reference number is created when the first consignment order is placed to facilitate paperwork as products are billed.

Example: Reference number 12345-1-1: the customer reference number is 12345, the consignment number is one, and the drum is number one. When the second packing slip is received by SLFi, the next reference number will be 12345-1-2.

SLFi container sizes are five-gallon pails, 55-gallon drums, and 275-gallon totes. To receive products at no freight charge, an order of 275 gallons or more is required. This order may include 5-gallon pails, 55-gallon drums or 275-gallon totes. Four 275-gallon totes may be ordered at one time.



When the last oil from the original consignment order has been billed, an automatic duplicate order will be generated and shipped to the customer unless SLFi is notified in writing to cancel or modify the consignment order. This will continue until SLFi receives written notice to stop all future shipments.

Benefits of Consignment Ordering

- Convenience: oil is on hand at all times
- No emergency purchasing
- No spending hundreds of dollars on emergency freight
- No freight charges (exception: ammonia oil purchases on eight drum minimum)
- Charges are only incurred on use and not per order
- Special pricing per consignment
- No purchasing by the pound of fluid
- Assorted purchases are welcomed; buy only what you need
- Maintenance departments can stretch budgets