



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON D.C., 20460

OFFICE OF
CHEMICAL SAFETY AND
POLLUTION PREVENTION

**PARTNERSHIP AGREEMENT
BETWEEN
QUAL CHEM LLC
AND
U.S. ENVIRONMENTAL PROTECTION AGENCY
DESIGN FOR THE ENVIRONMENT PROGRAM**

1 Statement of Purpose

The purpose of this Partnership Agreement (“Agreement”) is to set forth the basis, terms, and goals of the Design for the Environment (“DfE”) voluntary partnership between Qual Chem LLC (“Qual Chem”) of Akron, OH and the U.S. Environmental Protection Agency (“EPA”). The partnership is part of the DfE safer chemical use initiative for commercial formulators. The basic goal of the initiative is to seek and promote innovative chemical products, technologies, and practices that benefit human health and the environment.

A key purpose of the partnership program is to recognize and encourage the formulation of products with environmentally preferable chemistry and collateral benefits, as defined and described in the DfE Standard for Safer Cleaning Products (the “Standard”) and the associated DfE component-class criteria. For the purpose of this Agreement, these products include the following Qual Chem product: Q Clean (the “Qualifying Product”). The partnership will strive to promote and advance the environmental, technological, and efficiency benefits of this and future Qualifying Products.

This Agreement describes in general terms how Qual Chem formulates the Qualifying Product, its environmental and human health benefits, and how Qual Chem and EPA/DfE will work together to continually improve the health and environmental profile of the Qualifying Product and educate the consumer on these improvements and the DfE Program.

2 Statement of Context and Challenge

Each year, commercial formulators use billions of pounds of chemical ingredients to make a wide variety of general purpose and specialized cleaning products. EPA is concerned about the effect certain chemicals might have on environmental quality and on the health and safety of workers and the public who use cleaning products or may come in contact with them.

EPA believes that cleaning product formulators can improve the environmental and health profile of their products by using ingredients that are inherently less toxic, less environmentally persistent, less bioaccumulative, and that degrade to substances with similar desirable characteristics when compared to ingredients in some conventional formulations. Additional benefits can be derived through environmentally oriented reformulation. Energy efficiency, resource conservation, and sound management practices offer important additional components for measurable and sustainable improvement in cleaning products and programs.

EPA believes that conventional cleaning formulations, especially those for industrial/institutional (“I/I”) use, may rely on certain ingredients whose environmental and human health profiles can be improved.

3 Qual Chem’s Improved Cleaning Chemistries

In conjunction with the DfE review process, Qual Chem has reformulated a car wash for I/I cleaning and maintenance that, according to Qual Chem, meet EPA/DfE’s recommendations and offer improved health and environmental characteristics. This Qualifying Product contains no inorganic phosphates, hazardous solvents, or environmentally harmful surfactants. Instead, it contains a proprietary blend of surfactants, solvents, chelants, and other ingredients, which exhibit more positive environmental and human health characteristics than conventional cleaning formulations.

In addition, this Qualifying Product only uses surfactants that biodegrade readily to non-polluting substances, which helps relieve stress on the environment, especially threats to aquatic life. By not including environmentally harmful builders or extreme pH in this formulation, the environment-friendly profile and safety characteristics of this product is further enhanced. For example, an inorganic phosphate-free formula may promote a better balance of nutrients in the environment and healthier fresh water bodies. Safer sequestrants biodegrade readily to non-hazardous compounds and protect against environmental loading of metals. Mild pH formulas help protect workers, the environment, and building infrastructure. (For more information on the attributes and benefits of these products, see section 7.)

Please Note: EPA/DfE relies solely on Company, its integrity and good faith, for information on the composition, ingredients, and attributes of its Qualifying Product. EPA/DfE has not independently identified, i.e., via chemical analysis, the ingredients in the submitted formulas, nor evaluated any of Company’s non-ingredient claims. EPA/DfE expresses its judgment and professional opinion only as to the environmental and human health characteristics of the

Qualifying Product, based on currently available information and scientific understanding. Qual Chem's obligations under any federal, state, or local regulations governing the company or these products are in no way altered by its partnership with EPA/DfE.

4 Qual Chem's Commitment to Formulate for the Environment

As part of the Qual Chem–EPA/DfE partnership, Qual Chem agrees to formulate and produce the Qualifying Product using agreed upon ingredients which have a more positive health and environmental profile than conventional formulations. To preserve the non-confidential nature of this document, a generic description of the ingredients in the Qualifying Product and their key characteristics appears below.

As documentation of the Qualifying Product at the time of this Agreement, and to set a baseline for future improvements and formula changes, Qual Chem has provided to EPA/DfE the specific and complete chemical composition for these products. This section's ingredient-by-ingredient descriptions are intended to serve as surrogates for the actual formulas. Qual Chem reserves the right, however, to change ingredients, provided that their health/environmental profile is equal to or better than those in the current formulations and that any substitution occurs in consultation and agreement with EPA/DfE (see section 10).

If any change is made to the agreed formulation, Qual Chem agrees to notify EPA/DfE of the change and provide the new formulation. EPA/DfE agrees to notify Qual Chem of the need for ingredient profiling and will make recommendations for changes to the formulation as needed in order to remain a Qualifying Product.

The following is a non-confidential representation of the ingredients in the Qualifying Product, with their key characteristic (including green chemistry status or areas identified for future improvement), as evaluated by EPA/DfE:

	<u>Ingredient</u>	<u>Key Evaluation Characteristic</u>
Q Clean	Solvent	Low health and environmental concerns.
	Surfactant 1	Readily biodegradable, low concerns for byproducts. Meets DfE Direct Release Screen for Surfactants.
	Surfactant 2	Readily biodegradable, low concerns for byproducts. Could be improved for DfE Direct Release Screen for Surfactants (see sec. 5).
	Chelant	Low health and environmental concerns.

Adoption and use of the formulations described in this Agreement does not preclude, nor should it impede, Qual Chem in its efforts to further improve the health and environmental profile of the Qualifying Product. In fact, a main element of the Qual Chem–EPA/DfE

partnership is to provide Qual Chem the opportunity to work with EPA chemists, environmental scientists, and risk reduction staff in investigating materials to further improve the health and environmental profile of its Qualifying Product.

5 Continuous Environmental Improvement

Qual Chem agrees to make continuous environmental improvement an important element of its research and development activities related to its Qualifying Product. In addition to the environmentally oriented formulations set forth in section 4, Qual Chem agrees to investigate the feasibility of making additional improvements in the environmental and health profile of the Qualifying Product. Specifically, Qual Chem agrees to consider use of an alternative surfactant, as recommended by EPA/DfE. Qual Chem agrees to undertake this formulation review during the period of the Agreement.

Qual Chem may consult with EPA/DfE about other products and, following EPA/DfE review and assessment, may request that one or more new Qualifying Products be added to this Agreement. With EPA/DfE's approval, this Agreement may be amended as set forth in Section 12 to include new Qualifying Products.

Qual Chem and EPA/DfE agree to discuss on a yearly basis the status of Qual Chem's reformulation research and continuous improvement activities related to the Qualifying Product. Qual Chem may, at any time, request consultation and technical assistance from EPA in determining which chemical ingredients possess more positive health/environmental characteristics. Qual Chem may use informational materials from DfE's website, for example, the DfE Formulator Program: A Discriminating and Protective Approach to Cleaning Product Review and Recognition (http://www.epa.gov/dfe/pubs/formulat/formulator_review1.pdf), as general guides to environmentally desirable attributes for cleaning products.

6 Formulator Right to Know

Cleaning product formulators have a right to know the properties and potential risks – to their employees, customers, and communities – of the chemicals they use. Manufacturers of raw materials for detergents and other cleaning products should ascertain and communicate the properties and potential toxicity of their products, especially those made and sold in large quantities.

As part of its partnership with EPA/DfE, Qual Chem agrees to ask its raw material suppliers for test data on the chemicals they sell and that Qual Chem uses in its products. If the raw material suppliers do not have test data on their chemicals, Qual Chem agrees to encourage them to perform basic physico-chemical and toxicity testing. Upon request by EPA/DfE, Qual Chem agrees to share with EPA/DfE any available chemistry or toxicity information on its ingredients that it obtains from its suppliers.

To help ensure that any new testing serves to enhance the profile and general understanding of a particular chemical, all prospective studies should be considered in the context of the guidance offered in EPA's High Production Volume Challenge Program (see <http://www.epa.gov/HPV/>) and the Screening Information Data Set (SIDS) Program of the Organization for Economic Co-operation and Development (to learn more, visit <http://www.epa.gov/opptintr/chemtest/pubs/oecdsids.html> and the SIDS Test Guidelines at <http://www.epa.gov/HPV/pubs/general/sidsappb.htm>).

7 User Benefits

Qual Chem's Qualifying Product offers users the following set of benefits:

Environmental Protection

The Qualifying Product is formulated with the environment and human health strongly in mind and uses the following types of ingredients: biodegradable surfactants, with byproducts that are less toxic than the parent compound; solvents that are not hazardous air pollutants and pose no threat to the Earth's ozone layer; and other components with a more positive environmental profile than in conventional cleaning products.

Worker/Consumer Safety

The Qualifying Product is also formulated to help ensure a safer workplace. Users of this product benefit from ingredients that include no components that pose serious hazards. This benefit is amplified for janitors, maintenance staff, housekeepers, and others who must use cleaning chemicals in confined spaces on a daily basis. Importantly, a safer health profile especially benefits children, who spend a large part of their day in indoor environments and can be particularly sensitive to the chemicals in some cleaning products. Also, the mild pH, low volatility, and low potential to catch fire enhance the safety profile of this product.

Resource Conservation

The Qualifying Product also has certain attributes that may significantly reduce wear and tear on substrates, fabrics, and other surfaces with which the product comes in contact, thereby extending their usable life.

Customer Education

Qual Chem acts as a product steward by providing its customers information on environmental and worker safety matters and trains its sales force on the benefits of formulations with improved environmental and health characteristics.

Qual Chem agrees to inform customers of the Qualifying Product about the Qual Chem-EPA/DfE partnership, the meaning of the DfE logo, and the DfE Program's role in helping to protect human health and the environment. Qual Chem agrees to make available to its customers an EPA/DfE contact to who they may direct questions or comments on the partnership.

8 EPA Recognition and Support

Qual Chem may use the Design for the Environment (DfE) logo, shown on Attachment A to this Agreement, on containers or container packaging of the Qualifying Product or on advertising related solely to these products, provided that EPA/DfE has reviewed and approved the intended use of the logo. Qual Chem agrees to not use the logo or describe EPA/DfE's recognition on any general Qual Chem materials, non-Qualifying Products or associated literature, or advertising not related to the Qualifying Product. Qual Chem is not permitted to use the EPA official seal or logo at any time.

Use of the DfE logo must be accompanied by the following informational tagline, in close proximity to the logo: "Recognized for Safer Chemistry." The tagline should also include the EPA web address, www.epa.gov/dfe, as shown on Attachment A. Additionally, Qual Chem agrees to include in advertising of the Qualifying Product an endorsement disclaimer and various educational information for the consumer regarding the DfE partnership. Qual Chem and EPA/DfE agree to work to find an appropriate place (e.g. company website) connected with advertising for the Qualifying Product to include the following language along with educational information:

EPA/DfE recognition does not constitute endorsement of this product. The Design for the Environment logo signifies that the formula for this product, as Qual Chem has represented it to the EPA, contains ingredients with more positive health and environmental characteristics than conventional cleaners. EPA/DfE relies solely on Qual Chem, its integrity and good faith, for information on the composition, ingredients, and attributes of this product. EPA/DfE has not independently identified, i.e., via chemical analysis, the ingredients in the product formula, nor evaluated any of Qual Chem's non-ingredient claims. EPA/DfE expresses its judgment and professional opinion only as to the environmental and human health characteristics of the product, based on currently available information and scientific understanding.

The Parties acknowledge that under 5 C.F.R. §2635.702(c), EPA may not endorse the purchase or sale of commercial products and services provided by Qual Chem. The Parties agree to ensure that promotional materials describing or resulting from this Agreement do not contain statements implying that EPA/DfE endorses the purchase or sale of commercial products. This includes statements to the public in news releases, publications, on web sites or any other media.

Qual Chem agrees to make available to EPA/DfE for review and approval any materials, including press releases, promotional materials and advertisements that Qual Chem develops in connection with the partnership, and especially information that describes or characterizes the DfE Formulator Program or EPA/DfE's position on issues related to the cleaning product sector.

Qual Chem agrees to discontinue use of the DfE logo or any other form of EPA/DfE recognition, within 30 days, under the following circumstances: If Qual Chem stops formulating the Qualifying Product using the agreed upon ingredients; upon the termination of this Agreement; or, if so notified by EPA in writing.

9 Limitations

All commitments made by EPA in this Agreement are subject to the availability of appropriated funds and budget priorities. Nothing in this Agreement, in and of itself, obligates EPA to expend appropriations or to enter into any contract, assistance agreement, interagency agreement, or incur other financial obligations. This Agreement does not exempt Qual Chem or any other organization from EPA policies for competition for financial assistance agreements or procurement contracts. Qual Chem agrees not to submit a claim for compensation for services rendered to EPA in connection with any activities it carries out in furtherance of this Agreement. Any endeavor involving reimbursement or contribution of funds between the parties to this Agreement will be handled in accordance with applicable laws, regulations, and procedures, and will be subject to separate agreements.

This Agreement does not create any right or benefit, substantive or procedural, enforceable by law or equity against Qual Chem or EPA/DfE, their officers or employees, or any other person. This Agreement does not direct or apply to any persons outside Qual Chem or EPA.

10. Measures of Success

On an annual basis, Qual Chem agrees to provide to EPA/DfE its best estimate of the production volume of the Qualifying Product (if possible, both in aggregate pounds or gallons and broken out by ingredient class).

At EPA's request, Qual Chem agrees to make available to EPA/DfE, on a confidential basis, formulation bills of materials that confirm that the Qualifying Product contains the ingredients agreed to in this Agreement or have been modified in accordance with its terms.

Qual Chem agrees to make reasonable attempts to monitor the cleaning product market and agrees to inform EPA/DfE about the Qualifying Product's influence on the market, including growth in sales and number of new customers, as well as the perceived value in DfE recognition. Qual Chem agrees to report on customer acceptance of and satisfaction with these products when this information is available.

As discussed in Section 5, Qual Chem agrees to furnish periodic updates to EPA on the continuous improvement component of its research and development activities and on its ongoing efforts to improve the health/environmental profile of the Qualifying Product. As a condition of partnership, Qual Chem has demonstrated to EPA/DfE the performance of its Qualifying Product according to the guidelines provided by DfE (see

http://www.epa.gov/dfe/pubs/formulat/formulator_review1.pdf). Qual Chem agrees to also share with EPA/DfE the results of any additional performance testing or verification when that information becomes available.

11 Confidentiality

In matters relating to this DfE partnership and Agreement, EPA agrees to handle all information claimed by Qual Chem as confidential business information in accordance with EPA confidentiality procedures (see 40 CFR part 2, subpart B). EPA and Qual Chem agree that information supplied to EPA by Qual Chem regarding the formulas of any Qual Chem products or in connection with any audits required pursuant to Section 14 of this Agreement is covered by the foregoing sentence.

EPA/DfE agrees to only use the information provided by Qual Chem for purposes related to the Qual Chem-EPA/DfE partnership and disclose the information only to EPA employees and EPA contractors cleared for confidential information with a specific need to know.

12 Amendments to the Agreement

As discussed in the Continuous Environmental Improvement section, Qual Chem may request that EPA/DfE add new Qualifying Products to this Agreement when reformulated. If EPA agrees to the addition, Qual Chem may amend the Agreement by submitting a letter that addresses the essential elements from sections 3, 4, 5 and 7 of the current Agreement. Qual Chem and EPA/DfE agree to collaborate in developing the specific language for the amendment, which must be signed by an appropriate official for both parties. All other provisions of the Agreement shall be incorporated by reference.

13 Private Label, Licensee, and Toll Manufacture Products

Qual Chem acknowledges and agrees to the following roles, limitations, and responsibilities when third parties are involved in the manufacture of DfE-recognized products.

A private label product may carry the DfE logo provided that its contents are either identical to those in a specified DfE-recognized product, or very similar, and the ingredients that are different have been approved in the partnership agreement. A licensee or toll manufacture product may carry the DfE logo provided that its contents are identical to those in a specified DfE-recognized product.

Before manufacture of any private label product that will carry DfE recognition, Qual Chem must inform and receive permission from DfE, indicating the name of the private label product, the label owner, and the specific DfE-recognized product to which it is identical or on which it is based. Before manufacture of any licensee or toll manufacture product, Qual Chem must inform and receive permission from DfE, indicating the name of the licensee or toll manufacturer and of the specific DfE-recognized product to which the licensee or toll

manufacture product is identical. To assure quality, the licensee or toll manufacture product must be manufactured under an agreement between Qual Chem and the licensee or toll manufacturer and the agreement must be available to DfE on request.

Qual Chem agrees to ensure that its private label, licensee and toll manufacture products comply with the audit provisions in section 14.

14 Partnership Surveillance and Audits

To ensure that the contents of recognized products are as represented to the Agency under this agreement and that all other aspects of the Qual Chem-DfE partnership comport with the DfE Standard and criteria documents, Qual Chem agrees to participate in DfE's surveillance and auditing program. The program will consist primarily of annual desk audits and triennial on-site audits, as described in the DfE Standard, section 3.6 and Annex B.

Qual Chem will make its manufacturing facilities and recognized-product-related records available to DfE-authorized third-party verifiers. On an annual basis, Qual Chem agrees to submit to the third-party verifier desk audit materials as specified in the DfE Standard, Annex B.1. These materials will include a list of ingredients for each recognized product and a statement that the ingredients and all claims made regarding the Agency's recognition (e.g. use of the DfE logo) comport with this agreement.

Approximately every three years, Qual Chem will allow a third-party verifier to visit its manufacturing facility and conduct an audit, which will include the elements listed the DfE Standard, Annex B.2. The audit will focus on the manufacturing process and the procedures in place to ensure that recognized products comport with this agreement.

If the audit reveals items of noncompliance, Qual Chem will promptly correct the noncompliance. Qual Chem shall submit to the external verifier and to DfE, in writing and within 30 days of receiving written notice of noncompliance, the following: a root-cause analysis, an explanation of corrective action, and a preventive action plan. In collaboration with DfE, the external verifier shall confirm that Qual Chem has taken the remedial action necessary to assure DfE of Qual Chem's ability to satisfy the terms of this agreement.

Unaddressed or egregious noncompliance may serve as grounds for terminating the partnership. In any case of serious noncompliance, Qual Chem may be asked to do the following: immediately cease use of the DfE logo; estimate the quantities of currently labeled product; and confirm the cessation and estimate in writing. Procedures for handling existing stocks of products and labels will be determined on a case-by-case basis.

15 Termination or Renewal of the Agreement

Either party may, upon written notification, terminate this Agreement. In any event, the terms and provisions in the Agreement will sunset three years from the date of signature, unless the parties renegotiate and renew a partnership agreement prior to the expiration date.


We agree to these terms and provisions:

For Qual Chem LLC

For the U.S. Environmental Protection
Agency



Claudia Moldovan
CFO



Robert E. Lee, II
Director, Economics, Exposure, and
Technology Division

Date 9/14/10

Date 10/26/10

ATTACHMENT A

Examples of Appropriate Use of the EPA/DfE Recognition Mark

Example 1:



Recognized for Safer Chemistry
www.epa.gov/dfe

Example 2:



Recognized for Safer Chemistry
www.epa.gov/dfe