

**INEOS CANADA PARTNERSHIP  
PURCHASE ORDER TERMS AND CONDITIONS**

**1.0 DEFINITION OF TERMS**

The following terms, wherever used in this Order shall have the indicated meanings:

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| 1.1 | “Buyer”    | INEOS Canada Partnership   |
| 1.2 | “Vendor”   | the person, firm or corporation to whom Order is issued to provide Goods or Work.  |
| 1.3 | “Goods”    | are any materials, equipment and supplies to be furnished Vendor under this Order.   |
| 1.4 | “Work”     | providing or furnishing by Vendor of all services or Goods and services requested under this Order.  |
| 1.5 | “Order”    | this purchase order including all referenced addenda and attachments setting forth the terms and conditions of the Work provided for herein. |
| 1.6 | “Delivery” | the act of Vendor transferring possession of the Goods in accordance with the shipping instructions issued with the Order.                   |
| 1.7 | “GST”      | the goods and services tax imposed by the federal government of Canada.  |

**2.0 COMPLETE ORDER AND PRECEDENCE OF DOCUMENT**

- 2.1 This Order shall become binding upon: Vendor signing an acceptance of this Order, or Vendor commencing performance of Work, or Delivery, whichever occurs earlier.
- 2.2 Except as provided in Clause 2.3, this Order comprises the entire agreement between the parties and all prior negotiations and proposals, pertaining to the subject matter thereof are superseded by this Order.
- 2.3 In the event Buyer and Vendor have an existing written agreement providing for the sale of the Goods or the provision of the Work mentioned in this Order, then this Order shall be considered as made by Buyer and accepted by Vendor on the same terms and conditions set forth in such existing written agreement and nothing herein shall be a modification of such prior agreement. Such existing written agreement must be referenced in the header of this Order.
- 2.4 The terms and conditions on the face of this Order or attached as Special Conditions shall prevail if inconsistent with these standard terms and conditions.
- 2.5 Except as provided in Clause 2.3, none of the conditions contained in Vendor’s work orders, sale documents or proposals, or in any shipping and receiving documents shall apply unless set forth in this Order.

**3.0 CHANGES TO ORDER AND SUBSTITUTION**

- 3.1 No claims will be allowed for additional work or items initiated by Vendor, including but not limited to charges for packaging, crating or tagging, and no substitutions of items or changes in price are permitted except with prior written approval of Buyer.
- 3.2 Buyer shall have the right to make changes to the Work and to cancel any portion of the Work not yet completed. Vendor shall notify Buyer immediately if changes to this Order affect Delivery, or amount to be paid by Buyer. Changes to this Order will be stated in a formal Order revision. When Goods have been manufactured to Buyer’s specification, or when services have been partially completed and this Order is changed or cancelled, reasonable compensation will be negotiated.

**4.0 INVOICING AND PAYMENT**

- 4.1 Invoices shall not be submitted to Buyer for payment until Goods have been delivered.
- 4.2 Vendor shall submit its invoices to the invoice address specified herein.
- 4.3 Cash discount period will be computed from date of receipt of invoice.
- 4.4 Unless otherwise agreed to in writing, the rates of compensation shown on this Order include all of Vendor's fees, costs, taxes, incentives, benefits, allowances and overhead. No additional expenses will be permitted except those which are specified in this Order.

- 4.5 Unless otherwise agreed to in writing, Buyer is to be invoiced monthly for amounts due under this Order, and Buyer, upon receipt of this invoice and acceptable documentation will pay within thirty (30) days.  
Should Buyer dispute any invoice or require additional supporting documentation or information, Buyer shall immediately notify Vendor of the nature of the dispute or the documentation or information required and Buyer shall have the right to withhold payment of the portion of the invoice in question until Buyer and Vendor agree on the amount to be paid and any additional documentation or information requested by the Buyer has been received from the Vendor.

## **5.0 SALES TAX AND DUTY**

- 5.1 Prices stated must include all taxes imposed by law at point of destination unless otherwise stated in this Order. Provincial Tax, GST and federal duties are to be shown as separate items on the invoice.
- 5.2 Vendor shall state its GST registration number on the invoice and shall identify whether the Goods are taxable, exempt, zero-rated or not applicable for the purposes of calculating GST.
- 5.3 Foreign Vendors that ship to Buyer are required to provide export documentation to Buyer's customs broker, consisting of commercial invoices or Canada Customs Invoices (CCI) and North American Free Trade Agreement (NAFTA) Certificates if the Goods qualify under the terms of NAFTA.

## **6.0 ASSIGNMENT**

- 6.1 This Order and payments due hereunder may not be transferred or assigned without prior written consent of the Buyer.

## **7.0 CANCELLATION**

- 7.1 Time shall be of the essence of this Order. In the event that Vendor is unable to deliver Goods, or furnish Work due to events beyond its control, Vendor shall immediately notify Buyer in writing of the event and the anticipated delay, at which time Buyer shall have the option to cancel this Order.
- 7.2 Buyer may cancel or suspend this Order at any time by giving the Vendor written notice of such action. The Vendor shall have no claim for damages or loss of anticipated profits as a result of cancellation or suspension of this Order, however Buyer will reimburse Vendor for substantiated expenses incurred to the date of cancellation.

## **8.0 CANCELLATION FOR DEFAULT**

- 8.1 If either party becomes bankrupt or insolvent or commits or suffers any act of bankruptcy or insolvency, or makes any assignment for the benefit of creditors, then the other party shall be entitled to cancel any uncompleted portion of this Order without any liability whatsoever.

## **9.0 RIGHT TO AUDIT**

- 9.1 If Buyer is required to reimburse Vendor for any expenses incurred, Vendor shall retain all books, and other records relating to this Order for a period of three (3) years after the close of the calendar year to which the records relate. Buyer shall have access to and the right to audit these records at any reasonable time or times to verify any and all charges made by Vendor.

## **10.0 TRANSPORTATION**

- 10.1 Shipping and routing shown on the face of this Order are part of the terms and conditions hereof and no deviation is to be made without the written consent of Buyer.
- 10.2 Unless otherwise specified, the Goods must be shipped collect via the carrier named on the face of this Order. If no carrier is named, Vendor shall ship by the most economical route possible.

- 10.3 In the event Buyer agrees to prepay freight, charges for freight must be shown on the original receipt. No markup will be allowed on these freight charges. Freight charges should be included as a separate item on the invoice.
- 10.4 Goods shall be packaged and supported in a manner that ensures safety and protection from damage during shipment. Goods shall be sufficiently marked on the outside of the package, to preclude the need for opening the package for identification and determination of the Order reference.

**11.0 TITLE**

- 11.1 Vendor warrants title to Buyer to Goods, clear of any and all liens, restrictions, reservations, security interests and encumbrances. Goods shall become the property of Buyer upon Delivery. Notwithstanding the foregoing, Vendor shall be responsible for and bear any and all risk of loss of or damage to the Goods provided until Delivery.
- 11.2 Unless otherwise specified, Delivery shall be FCA Vendor's shipping location.

**12.0 INSPECTION AND RECEIVING**

- 12.1 Acceptance of Goods or Work shall be subject to inspection by Buyer within a reasonable time after receipt regardless of any written receipts executed prior to such inspection. Buyer shall have the right in addition to any other rights herein to reject and return, without prior notification, at Vendor's expense and at Vendor's risk, Goods not in accordance with Buyer's specification or description in the Order.

**13.0 WARRANTY**

- 13.1 In addition to any warranties expressed or implied by law, at any time prior to eighteen (18) months following Delivery, or twelve (12) months after being placed in service by Buyer, whichever occurs earlier, if Goods become defective or fail due to any defect in design, material or workmanship, or otherwise fail to meet the requirements of the Order, then Vendor, upon receipt of notification from Buyer, shall correct such failure, or replace the Goods without cost to Buyer. If Vendor fails to promptly correct such failure, Buyer may correct same or replace the Goods and Vendor shall be liable for all costs incurred without prejudice to any other rights Buyer may have.
- 13.2 Vendor shall pay all transportation costs for Goods both ways between Buyer's point of use and Vendor's repair facility.
- 13.3 Goods repaired or replaced under the foregoing clauses shall be subject to all the provisions hereof for a period of twelve (12) months from the date of the repair or replacement.
- 13.4 Vendor expressly warrants that all Goods delivered under this Order shall conform to all specifications, drawings, notes, instructions or technical data referred to in this Order and will be fit and sufficient for their intended purpose, of merchantable quality of good material and workmanship and free from defect. Unless expressly agreed to by Buyer, Vendor warrants that it is supplying only new Goods.
- 13.5 Where services are provided, Vendor warrants that the workmen employed by Vendor have the necessary experience, competence and qualifications to carry out the Work in the time required. Further, Vendor warrants that it will carry out the Work with due diligence in a good and workmanlike manner. Buyer shall be entitled to cancel all or part of this Order in the event of faulty workmanship.

**14.0 LIABILITY AND INDEMNITY**

- 14.1 Vendor shall be responsible for and shall save harmless and indemnify Buyer from and against all loss, costs, damages, suits, claims and demands of every nature whatsoever arising out of or by reason of the performance or purported performance of the Order by Vendor, such indemnity to survive the term of this Order. Vendor shall carry insurance acceptable to Buyer and shall when requested, provide the necessary certificates of insurance to Buyer.
- 14.2 This Order is given on the express condition and agreement that the Vendor, its heirs, successors, assigns and legal representatives, shall forever protect, indemnify and save

harmless the Buyer against any and all claims, suits in law or equity, judgments, court costs, lawyer's fees, and other liabilities, demands or losses in any manner arising out of alleged infringement of any patent, copyright and trademark rights because of the possession, use or sale by Buyer or its agents of the subject matter to which this Order relates.

**15.0 CONFIDENTIALITY**

15.1 Vendor shall not divulge any information related to Buyer's business or processes which it acquires during the performance of this Order unless such information is already in the public domain.

**16.0 BUSINESS STANDARDS**

16.1 Vendor agrees that all invoices, reports and financial documents rendered to Buyer shall properly reflect the facts of all activities and transactions handled for Buyer's account, and may be relied upon as being accurate and complete in any further reporting or recording made by Buyer for any other purpose.

**17.0 COMPLIANCE WITH LAWS**

17.1 Vendor represents that the services will conform to all applicable Federal, Provincial and Municipal laws, orders, rules and regulations in the jurisdiction where the Work is performed.

**18.0 HOLDBACKS, LIENS AND TAXES**

18.1 Should Buyer have cause to believe there are unsatisfied claims for labour or materials associated with the Work, Vendor shall furnish proof satisfactory to Buyer that all claims are satisfied or discharged. Payment for the Work satisfactorily completed shall be made by Buyer to Vendor, subject to the right of Buyer to withhold payments in accordance with the requirements of any applicable law with respect to liens for labour or material.

18.2 Vendor agrees to pay and discharge all valid taxes, claims and other similar charges resulting from performing the Work for Buyer. Vendor agrees to indemnify Buyer against any liability for such taxes, claims and similar charges, with the exception of taxes described in Article 5 herein.

**19.0 GENERAL**

19.1 Vendor agrees to abide by all policies of INEOS Canada Partnership applicable to this Order.

19.2 Buyer has the right to duplicate and use drawings and other documents provided by the Vendor, as it deems appropriate.

19.3 Vendor warrants and represents that any handling, offering for transport, transport or importation of dangerous goods, or manufacture or import of standardized means of containment shall be conducted in accordance with the Transportation of Dangerous Goods Act and Regulations.

19.4 Vendor shall supply any pertinent toxicity data relative to human and environmental health effects, and offer recommendations for the safe handling and lawful waste disposal of the Goods.

19.5 Where Buyer requires Goods to meet industry standards and specifications (such as ASTM, ASME, CSA), Vendor shall meet the requirements of the latest published edition of those standards in effect on the Order date.

19.6 These terms and conditions shall be construed and interpreted in accordance with the laws of the Province of Alberta.