



INNOPHOS CANADA, INC. ("SELLER") GENERAL TERMS AND CONDITIONS OF SALE

1. EXCLUSIVE TERMS, CONDITIONS AND LIMITATIONS OF OFFER. These General Terms and Conditions of Sale (the "Terms") set forth the terms and conditions of Seller's offer (or counteroffer, as the case may be) to sell goods and/or services (collectively the "Products") to the buyer ("Buyer"). Neither these Terms nor any commencement of work necessary to sell such Products is an acceptance of any offer of Buyer. Seller's agreement to enter into any order and/or supply the Products to Buyer is contingent upon Buyer's acceptance of the terms and conditions stated in these Terms, and notwithstanding any different or additional terms or conditions in the Buyer's order or any other purchase documents (which are hereby expressly rejected by Seller), Buyer agrees that the terms and conditions in these Terms shall apply, supersede and take precedence over all such different or additional terms or conditions, and shall constitute the entire agreement between Seller and Buyer. These Terms can be modified, altered or added to only by a subsequent written instrument signed by an authorized officer of Seller which shall set forth with particularity and not through incorporation by reference the precise terms, conditions and limitations modified, altered or added to with specific written reference to the terms, conditions and limitations of these Terms which are modified, altered or added to. No prior inconsistent course of dealing, course of performance or usage of trade, if any, shall constitute a waiver of or serve to explain or interpret these Terms. Any references by Seller to Buyer's specifications and similar requirements are only to describe the Products and no warranties and/or other terms or conditions contained in Buyer's specifications shall have any force or effect. All orders are subject to acceptance in writing by Seller. Buyer shall have no right to cancel any accepted order without the prior written consent of Seller.

2. PRICES. The Prices charged for Products shall be the prices and charges in effect at the time of shipment on the then current price list of Seller.

3. DELIVERY. Any time or date stated for delivery is an estimate only and the Seller shall not be liable for failure to deliver at the specified time or on the specified date, nor shall such failure on the part of the Seller be deemed to be a breach of these Terms, or any order or part thereof. Overruns or underruns of up to ten percent (10%) shall constitute due performance of any order. Delivery of Product shall be Ex Works Seller's facility and title to and risk of loss of all Products will pass to Buyer upon Seller making the Products available for pickup at its facility. Buyer shall be responsible for filing and pursuing claims with carriers for loss or damage in transit. Buyer hereby represents and warrants that the Buyer is solely

purchasing the Product for use in further manufacturing, and Buyer understands and agrees that it will not resell any Product to any third party other than to its own corporate affiliates for use by them in further manufacturing.

4. PAYMENT. All invoices shall be due and payable within thirty (30) days from the date of invoice. All invoices must be paid in accordance with the terms on the face thereof without deductions, set offs, counterclaims, backcharges or any other charges whatever and the obligations of Buyer to Seller shall remain unimpaired regardless of disputes which may arise between Buyer and other persons or entities. Each shipment shall constitute a separate and independent transaction and Seller may recover for each such shipment without reference to any other. If Buyer is in default with respect to any terms or conditions of these Terms, then, in addition to any other legal remedy available to Seller, Seller may, at its option, defer further shipments hereunder until such default is remedied, or, Seller may decline further performance under any order. If, in the judgment of Seller, the financial responsibility of Buyer shall at any time become impaired, then, in addition to any other remedy available to Seller, Seller may decline to make further deliveries under these Terms or any order, except upon receipt, before shipment, of payment in cash or satisfactory security for such payment. The representations and agreements of Buyer in any application for credit from Seller are hereby incorporated by reference. Amounts unpaid after the payment term shall accrue interest compounded monthly at the annual rate of 18% or the maximum legal rate, if less. Buyer shall be responsible for, and shall reimburse Seller for, all fees and costs of collection hereunder (including but not limited to attorneys' fees and court costs).

5. WEIGHT OF PRODUCTS. In case of a dispute concerning the weight of Product delivered in bulk carload or tank car shipments, shipper's weight, certified to by sworn Weigh-master, shall govern absent manifest error.

6. LIMITED WARRANTIES. Determination of the suitability of the Product(s) supplied hereunder for the uses and applications contemplated by Buyer and others shall be the sole responsibility of Buyer, which is relying on its own skill and judgment in the selection of the Product(s) and for the determination of the efficacy and effect of the Product(s) in Buyer's products, usage and applications. All warranties by Seller pertaining to the Product(s) are expressed in this paragraph.

(a) Seller warrants that the Product, on the date of production, will comply in all material respects to the specifications agreed to by the parties.

(b) Seller warrants that to the best of its knowledge the Products do not infringe any valid and issued patent in the country of manufacture.

(c) THE WARRANTIES EXPRESSED HEREIN SHALL BE IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO TITLE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Buyer acknowledges that it is not entering into and shall not enter into any order based on any warranty other than those express warranties above. Buyer acknowledges that any product literature or studies related to the Product(s) made available to Buyer by Seller are provided for the general convenience of Buyer and do not constitute a warranty of the performance, suitability or efficacy of the Product(s) when used by Buyer.

(d) BUYER ASSUMES ALL RISK AND LIABILITY FOR ALL LOSS, DAMAGE OR INJURY TO PERSON OR PROPERTY, INCLUDING WITHOUT LIMITATION POLLUTION, ENVIRONMENTAL DAMAGE AND RESTORATION LIABILITY, RESULTING FROM (I) THE USE OF SAID PRODUCT IN MANUFACTURING PROCESSES OR IN COMBINATION WITH OTHER SUBSTANCES, OR OTHERWISE, (II) THE HANDLING AND DISPOSAL OF THE PRODUCT, AND (III) RAW MATERIAL FURNISHED BY THE BUYER. Buyer acknowledges that Seller has not and will not substantially participate in the design of Buyer's product or in the integration of the Product(s) into the design of Buyer's products, usages or applications.

7. LIMITATION OF REMEDIES, DAMAGES AND TIME LIMIT OF CLAIMS. In the event of notification of breach of the warranty in Section 6(b) hereof, Seller may at its election, and as Buyer's sole remedy, either provide Buyer with non-infringing Products or terminate the applicable order(s) or work out an alternative solution which is mutually satisfactory to both parties.

Notwithstanding anything herein to the contrary, all claims by Buyer relating to these Terms, the Products or any order relating to the Products, including with respect to allegedly nonconforming or defective Products, shall be made by Buyer in writing within thirty (30) days of receipt of shipment of such Product, after which the Product shall be deemed accepted for all purposes and

Seller shall have no liability for same or otherwise relating to these Terms or such order (regardless of the form or basis of any action) and Buyer shall be deemed to have waived any otherwise applicable statute of limitations. Claims with respect to Products must be verified by an authorized representative of Seller, and Buyer must obtain authorization and shipping instructions from Seller prior to returning any Products. Risk of loss of same shall remain with Buyer until delivery to Seller. BUYER'S SOLE REMEDY, AND SELLER'S SOLE OBLIGATION, WITH RESPECT TO A BREACH OF THE WARRANTY IN SECTION 6(A) HEREOF SHALL BE, AT THE SELLER'S SOLE OPTION, THE REPLACEMENT OF THE NONCONFORMING PRODUCT WITH A PRODUCT THAT MEETS SUCH WARRANTY OR REFUND OF THE PURCHASE PRICE PAID FOR THE PRODUCT.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHER THEORIES OF LAW, (I) FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, RELIANCE, EXEMPLARY OR PUNITIVE DAMAGES OF ANY KIND INCLUDING WITHOUT LIMITATION LOST PROFITS, GOOD WILL OR MARKET RECOVERY OF FINISHED GOODS (EVEN IF SELLER IS ADVISED OF THE LIKELIHOOD OF SUCH DAMAGES), OR (II) IN EXCESS OF AMOUNTS ACTUALLY RECEIVED BY SELLER FOR THE PRODUCTS AT ISSUE.

8. RETURNABLE CONTAINERS. All returnable containers used in making deliveries hereunder are Seller's property and shall be used by Buyer only for proper storage of Seller's Product originally delivered therein. Buyer shall make a deposit as security for the return of such containers, equal to Seller's current deposit charge therefor at the time of shipment. Such deposit shall be paid, without discount, when the invoice for the contents is paid. Buyer shall return such containers to Seller's shipping point within two months from the date of original shipment, whereupon Buyer shall be credited with the amount of the deposit. If Buyer fails to return the containers in good condition and within the time specified, Seller may refuse to accept the same and may retain said deposit in addition to any other rights and remedies available to Seller. In addition, Buyer shall reimburse Seller for all reasonable costs and expenses incurred by Seller in providing any communication and emergency response system services in connection with the Product sold hereunder, except to the extent that such services

are required due to Seller's breach of these Terms or negligence.

9. TAXES. Buyer shall reimburse Seller for all taxes, increases in or new taxes, excises or other charges which Seller may be required to pay to any governmental authority (national, provincial, state or local) upon, or measured by, the sale, production, transportation or use of any Product sold hereunder.

10. COMPLIANCE WITH LAWS. Seller and Buyer shall comply with applicable laws and regulations in all materials respects, including without limitation those regarding product registration and regulation; environmental health and safety; transportation; customs and trade; anti-bribery and export controls; and any consumer fraud acts and deceptive and unfair trade practices acts.

11. INDEMNITY. Buyer acknowledges and agrees that it has expertise and knowledge in the proper handling, processing, storage, transportation, sale, labeling, use and disposal of the Products. Buyer shall assume full responsibility for proper handling, processing, storage, transportation, sale, labeling, use and disposal of the Products after shipment to Buyer, and shall defend, indemnify and hold harmless Seller and its affiliates, officers, directors, shareholders, employees, agents and representatives from and against all losses, liabilities, claims, damages, demands, actions, costs and expenses (including without limitation attorneys' fees and court costs) (collectively, "Losses") arising out of or relating to same, including without limitation Losses arising out of or relating to the manufacture, supply, design, sale, marketing, labeling, distribution or use of any product using or incorporating the Products.

12. PATENTS; TRADEMARKS; UNPATENTED INFORMATION. If any Products sold hereunder are to be prepared or manufactured according to Buyer's specifications or designs, Buyer shall defend, indemnify and save harmless Seller and its affiliates, officers, directors, shareholders, employees, agents and representatives against any claims or liability for violation of any intellectual property rights, including patent, trade secret or trademark rights, owned or controlled by third parties in Canada or in any other country on account of such preparation or manufacture.

The sale of Products shall not expressly or impliedly grant to Buyer any right or license of any kind under any patent, patent application, or other industrial property right owned or controlled by Seller or its affiliates, but the foregoing shall not be understood to limit in any way the right of Buyer to use and sell such

Products, in the events such Products, as sold hereunder, are covered by any such patent.

13. FORCE MAJEURE. Neither party shall be liable for its failure to perform hereunder if said performance is made impracticable due to any circumstances beyond the reasonable control of the party affected, including but not limited to, acts of God, acts of terrorism, fires, floods, wars, sabotage, accidents, labor disputes or shortages, plant shutdown, equipment failure, voluntary or involuntary compliance with any law, order, rule or regulation of government agency or authority, or inability to obtain raw materials or necessary inputs or services including without limitation power, fuel, equipment or transportation. The affected party may omit purchases or deliveries during the period of continuance of such circumstances and the contract quantity shall be reduced by the quantities so omitted. During any period when Seller shall be unable to supply the total demands for any Product provided for in these Terms, whether caused by the circumstances specified above or otherwise, Seller may allocate any available Product among all buyers including its own divisions and departments, on such basis as it may deem fair and practical.

14. CUMULATIVE REMEDIES. Except for those provisions in these Terms that expressly limit Buyer's remedies, no remedy conferred by any provision of these Terms is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given in these Terms or existing at law or in equity, by statute or otherwise.

15. ASSIGNMENT; SEVERABILITY. Neither these Terms nor any right or obligation hereunder may be assigned by Buyer without the prior written consent of Seller. Subject to the foregoing, these Terms shall enure to the benefit of and be binding upon the successors and permitted assigns of the parties. Any attempted assignment by Buyer in violation of these Terms shall be null and void. If any Section of these Terms, or any part thereof, is determined to be invalid or illegal by any court of competent jurisdiction, then the parties shall negotiate in good faith to amend the Terms to the extent necessary to make such Section, or part thereof, valid, and all other remaining terms and conditions of these Terms shall remain in full force and effect.

16. WAIVER. Seller's waiver of any breach, or failure to enforce any of the terms and conditions of these Terms, at any time, shall not in any way affect, limit or waive Seller's right thereafter to enforce and compel strict compliance with every term and condition hereof. The acceptance by the Seller of any payment

after the specified due date shall not constitute a waiver of the Buyer's obligation to make further payments on the specified dates. No waiver of any provision of these Terms by Seller shall be valid unless made in writing and signed by Seller.

17. TERMINATION. In the event of Buyer's breach of these Terms, bankruptcy of Buyer or insolvency of Buyer, or if any proceeding is brought against Buyer under applicable bankruptcy or insolvency laws, Seller shall be entitled to terminate any or all orders then outstanding and shall receive reimbursement for its costs relating to such termination, which shall include, but are not limited to, all costs, direct and indirect, for labor, materials, tools, overhead, and profit to which Seller would be entitled had the order not been terminated. All payment obligations, disclaimers of warranty, limitations of remedies and liability, indemnities, and other terms that by their nature are intended to extend beyond termination of the applicable order shall survive termination.

18. GOVERNING LAW. These Terms shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to its conflicts-of-laws rules or principles. The parties disclaim the applicability of the United Nations Convention on Contracts for the International Sale of Goods.

19. DISPUTES. The parties shall endeavor in good faith to resolve any dispute, controversy or claim arising out of or relating to these Terms, or the breach, termination or validity thereof. Any dispute or controversy relating to or arising out of or in connection with these Terms, including any question regarding its existence, validity and termination ("Dispute") shall first be escalated to senior management of the parties by written notice of one party to the other party, which notice shall provide the particulars of the Dispute and key relevant documents and information. Such senior management representatives shall endeavor to resolve the Dispute within a period of thirty (30) days following notice of the Dispute.

If the Dispute has not been resolved within such thirty (30) day period, the Dispute shall be finally resolved by arbitration in accordance with the rules and procedures in the *Arbitration Act, 1991* (Ontario) (the "Arbitration Act"). The place of arbitration shall be Toronto, Ontario. The arbitration shall be conducted in the English language.

If the amount in Dispute (exclusive of interest and cost) is one million dollars (\$1,000,000) or more, or unknown, or if other form of relief is sought, then the arbitration shall be conducted by a tribunal of three (3)

arbitrators, who are qualified by education and training to pass upon the particular matter to be decided; one arbitrator shall be chosen by Buyer, one by Seller, and the third by the two (2) so chosen. If both or either of Buyer or Seller fails to choose an arbitrator or if the two (2) arbitrators selected fail to agree upon the third arbitrator within the time deadline established by the Arbitration Act, the remaining arbitrator(s) shall be appointed pursuant to the Arbitration Act.

For all other Disputes, the arbitration shall be conducted by one arbitrator so qualified, appointed by the mutual agreement of the parties or pursuant to the Arbitration Act. If the parties fail to choose the arbitrator within the time deadline established by the Arbitration Act, the arbitrator shall be appointed pursuant to the Arbitration Act.

Any award of a majority of the arbitrators under or of a sole arbitrator under this Section shall be final and binding upon both parties, may be entered in any court having jurisdiction and there will be no appeal from the award except on a question of law and only with leave, pursuant to the Arbitration Act.

The parties agree that during the pursuit of dispute resolution, each will continue to perform under these Terms, subject to continued fulfillment of the other party's obligations as to any undisputed matters. Nothing herein shall be construed to preclude a party from seeking equitable remedies from any court of competent subject matter jurisdiction, while the dispute resolution process is being pursued. For such purposes the parties submit to the jurisdiction of the courts of the Province of Ontario.

[End of General Terms and Conditions]