

IMPORTANT INSTRUCTIONS TO SELLER

1. Drawings and Data Transmittals

All drawings or other data sent for approval shall be sent by overnight delivery. All submittals shall be accompanied with two (2) copies of the transmittal letter showing:

- a. The drawing number(s) and data title(s);
- b. Suncor Energy Services Inc. Purchase Order number;
- c. Suncor Energy Services Inc. tag numbers;
- d. The status of the submittal; i.e., for approval, for information, for review, etc.

Projects requiring application of the Suncor Energy Services Inc. document stamp shall use the Instruction of Application of Suncor Energy Services Inc. Document Stamp in addition to Drawing and Data Requirement.

INVOICES

2. Invoice Data

The mailing address for invoices is shown on Page 1 of the Purchase Order. All invoices must include the following information:

- a. The Purchase Order number.
- b. The item numbers (1, 2, 3, etc.) shown on the Purchase Order.
- c. The tag numbers shown on the Purchase Order.

Invoices received without the above information will be returned for correction and invoice receipt date will be delayed until the corrected invoice is received. Invoices are payable according to the payment terms listed on the Purchase Order. Payment of invoices shall be calculated from the date of receipt at Suncor, not the equipment delivery.

FREIGHT COST AND DOCUMENTS

3. Freight Costs

- A. All freight costs are to be FCA Works/FOB Point unless otherwise stipulated in the Purchase Order, or alternative instructions are given at the time of "Release for Shipment". All orders require a "Release for Shipment" authorization which will be provided by the Suncor's Project Expediter or Traffic Coordinator. **Collect shipments will not be accepted.** If transportation charges are for Purchaser's account, bill such charges as a separate item and attach the original and one copy of the prepaid bill to the invoice.

SUPPLIER INSPECTION AND SURVEILLANCE

4. Freedom of Entry

Suncor Energy Services Inc. or their authorized representative shall have the right to inspect any work or materials to be supplied by Seller or Seller's suppliers, against this Purchase Order. **Suncor Energy Services Inc.** representatives shall be permitted access to the Supplier's plant and those of his suppliers or sub-contractors for inspection and follow-up during manufacturing/fabrication and testing.

5. Supplier Inspection

Prior to start of fabrication, a detailed inspection and test plan for each item being furnished shall be submitted by Seller for Suncor's approval. The plan shall list each examination, test and inspection to be performed. Additionally, the plan shall provide for an acceptance sign-off and date by the Seller's Quality Control Inspector for each activity verified. A copy of the completed inspection plan shall be provided as final documentation for the item furnished. Supplier shall provide any/all parts and equipment necessary to perform necessary testing. A copy of test results shall be furnished to Suncor Energy Services Inc. representative on request.

Suncor Energy Services Inc. Inspection

Suncor's QA/QC Coordinator shall be notified by telefax or telex when materials are ready for inspection in the plant. Notice shall be five (5) working days **prior to work starting** in the shop. Notice shall be made using the "Witness Inspection Notification" form, F4_407. Supplier's format may be substituted provided content is the same. A schedule for further inspections will be established after the initial notification. **Five days notice shall be given to Suncor prior to performance of established Inspections/Hold Points. Any inspections or waiver of inspections by Suncor shall not relieve Seller of responsibility to furnish equipment, materials, or supplies in complete accordance with the requirements of the order.**

The attached Suncor Inspection Plan(s) provides an overview of Suncor Energy Services Inc. inspection activities typically associated with the equipment being purchased. A specific Suncor Inspection Plan will be developed based upon the requirements of the Purchase Order, specifications/data sheets and referenced codes/standards. Seller is advised to review the specific inspection requirements of those documents.

6. Quality Requirements

As a Supplier of materials and/or services to Suncor, you, as a supplier/subcontractor should be aware of our commitment to a policy of Total Quality Management (TQM). This philosophy is incorporated into our total business operation and can best be expressed in the following statement:

Each supplier/subcontractor will have his performance monitored and evaluated while working with Suncor. Only those suppliers/subcontractors who continuously perform to a (TQM) effort will be considered for future business opportunities.

7, Expediting

Supplier shall be responsible for expediting the work under the Purchase Order, including sub-orders, as is necessary to comply with Purchase Order delivery dates. It is understood and agreed that all raw materials, work-in-process, and finished work, as well as parts and goods supplied to you by others shall be subject to expediting and inspection. When deemed necessary by Suncor, the Purchase Order will be subject to physical expediting through access to any and all work locations of the Supplier and/or sub-supplier. Upon request, Supplier shall supply unpriced copies of sub-orders, progress reports and fabrication/milestone schedules to aid in Suncor expediting activities. Failure of Suncor to exercise its rights to expedite this Purchase Order will not relieve Supplier from its responsibilities under this contract.