

TAX IMPLICATIONS OF OWING UNITS OF CHEMTRADE LOGISTICS INCOME FUND

Chemtrade Logistics Income Fund (the “Fund”) is a limited purpose trust established under the laws of the Province of Ontario on July 11, 2001. For purposes of the *Income Tax Act* (Canada) (the “Tax Act”), the Fund is a mutual fund trust and a Specified Investment Flow-Through Trust (“SIFT”).

The Fund earns its income from Chemtrade Logistics Inc. and its subsidiaries (“Chemtrade”), and its distributions depend on Chemtrade’s cash flow. See page 2 for a chart showing the structure of the Fund, its material subsidiaries, their jurisdictions of incorporation or organization, and the percentage of votes attached to voting securities (some of which are held indirectly).

INCOME TAX IMPLICATIONS FOR CANADIAN RESIDENTS

The Fund’s distributions are not expected to be considered eligible dividends or a return of capital and are, generally, not subject to tax where units are held in a trust governed by a RRSP, a RRIF, a RDSP, a TFSA, a RESP or a FHSA (all as defined for Canadian tax purposes) in which case no income should be reported by the beneficiary of such trust.

All taxable Canadian unitholders should receive a T3 Supplementary tax slip from their financial institution prior to the end of March of the subsequent year (for example, if units were held in year 202X, unitholders would receive the T3 tax slip prior to March 31, 202X+1).

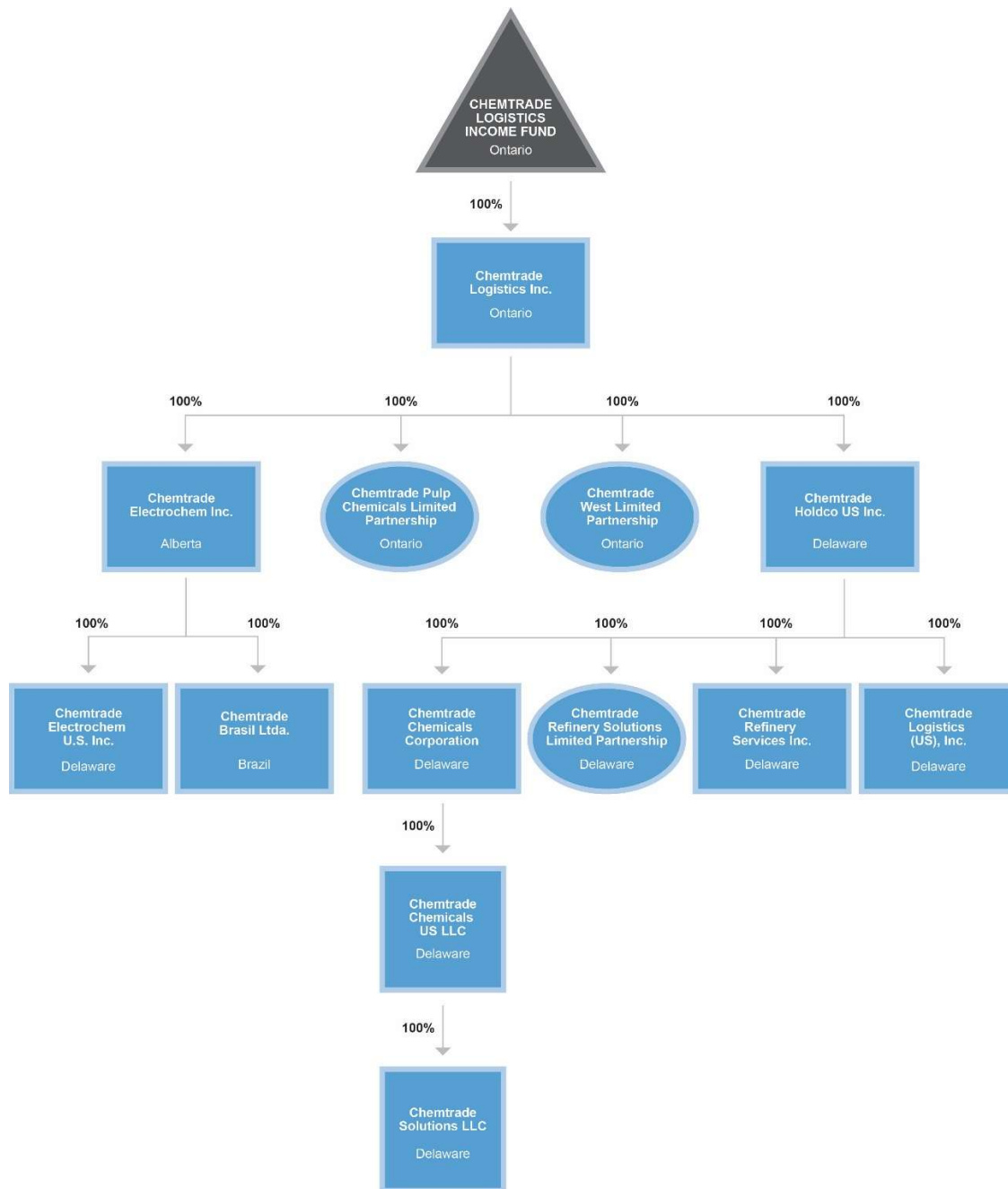
INCOME TAX IMPLICATIONS FOR U.S. RESIDENTS

The Fund has made an election to be treated as an association taxed as a corporation for U.S. federal income tax purposes.

Based on the Fund’s current and projected income and the valuation of its assets, the Fund does not believe that it has been a passive foreign investment company (“PFIC”) or that it will become so in the future. The Fund’s determination that it is not, and that it does not expect to become a PFIC, is based on the belief that the Fund and its direct and indirect subsidiaries earn primarily active business income and that the assets of its direct and indirect subsidiaries generate primarily active business income. Since PFIC status is a fact-intensive determination made on an annual basis, no assurance can be given that the Fund is not or will not become classified as a PFIC.

A non-U.S. corporation, such as the Fund, would be a passive foreign investment company (“PFIC”) within the meaning of Section 1297 of the Internal Revenue Code if, during any taxable year, (a) 75% or more of its gross income consists of certain types of passive income (“Income Test”), or (b) the average value of its passive assets (generally assets that generate passive income) is 50% or more of the average value of all of its assets (“Assets Test”). Passive income includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For purposes of the PFIC Income Test and Assets Test described above, if a corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the first corporation will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

STRUCTURE OF CHEMTRADE LOGISTICS INCOME FUND



DISCLAIMER:

The above information is of a general nature only and does not address all possible U.S. federal, state, or local income tax considerations and is not intended to provide legal or tax advice to any particular unitholder or potential unitholder of the Fund. Non-Canadian unitholders and U.S. resident unitholders should consult their own tax advisors regarding the tax consequences of holding units and reporting income earned and tax withheld from distributions.