

STANDARD TERMS AND CONDITIONS OF EXPEDITORS CANADA, INC. ("the COMPANY")

These terms and conditions of service (the "Conditions") constitute a legally binding contract between the "Company" and the "Customer". In the event that the Company renders services and issues a document containing terms and conditions governing such services, the terms and conditions set forth in such other document(s) shall govern those services.

1. ROLE OF THE COMPANY

The Company offers its services on the basis of these Conditions that apply to all activities of the Company in arranging transportation or providing related services, such as, but not limited to, warehousing, customs brokerage and any other kind of logistics services. The Company may provide its services as either principal or agent. The Company acts as agent of the Customer, except in the following instances:

- where the Company issues a transport document or electronic record evidencing its obligation for the delivery of goods; or,
- to the extent the Company physically handles goods with its own employees and equipment in the course of performing any service in which cases it acts as principal.

The foregoing notwithstanding, whether acting as principal or as agent, these conditions govern the rights and liabilities of the Customer and the Company.

2. ROLE AS AGENT

When acting as an agent, the Company acts solely on behalf of the Customer for the purpose of performing duties in connection with the entry and release of goods, post entry services, the securing of export licenses, the filing of export documentation on behalf of the Customer and other dealings with government agencies. The Company shall act as an agent as well in engaging the services of third parties on the usual terms and conditions on which the third parties offer such services for the carriage, storage, packing or handling of any goods, or for any other service in relation to them, thereby establishing a direct contract between the Customer and the provider of such services capable of being enforced by the Customer as principal, whether or not the Customer is identified in the contract.

3. OTHER SERVICES

When requested by the Customer, the Company may issue a transport document or electronic record by which it as principal undertakes carriage of particular goods. Where it issues a transport document or electronic record, the rights and obligations of the Company will be governed by the applicable contract of carriage therein in addition to these Conditions. In the event of any inconsistency the applicable contract of carriage conditions prevail.

4. SERVICES REQUIRING SPECIAL ARRANGEMENTS

a. The Customer must give instructions in writing to the Company a reasonable time before the tender of goods for storage or transport where its request to the Company differs from the agreed upon scope of services. If Company accepts such special instructions, Company will provide Customer the rate for the additional services.

b. Where for any reason it does not accept such instructions, the Company must promptly so advise the Customer by any means of communication used in the ordinary course of business. If it continues to use the Company's services for the contemplated transport, the Customer assumes all risks connected with the non-performance of such instructions, whether caused or contributed to by the Company's negligence or not.

5. THE COMPANY'S GENERAL RESPONSIBILITIES

a. The Company shall take reasonable steps to provide services in accordance with the instructions from the Customer.

b. The Company shall exercise reasonable care in the discharge of its obligations, including the arrangement of transportation and any related services and the selection and instruction of third parties that provide any services engaged on behalf of Customer.

c. For customs brokerage services, Company shall at all times provide Services in a timely and professional manner in accordance with the generally accepted standards of the Canadian customs brokerage industry and in compliance with all applicable laws and regulations of Canada and any Province or Territory thereof.

6. CUSTOMER'S GENERAL RESPONSIBILITIES

a. The Customer shall be deemed to be competent and to have reasonable knowledge of matters affecting the conduct of its business, including terms of purchase and sale, the need for insurance and the extent of coverage available for the type of goods being tendered for shipment, the need for care to avoid transmitting viruses by electronic communications, the need for confidential handling of information relating to high value goods, and all other matters relating thereto.

b. The Customer warrants that all information in whatever form relating to the general and dangerous character of the Goods, their description, Bar-Coding, marks, number, weight, volume and quantity of the Goods, as furnished by the Customer or on its behalf, was accurate and complete at the time the Goods were taken in charge by the Company or any third party whose services it has engaged. The Customer further undertakes to provide independent confirmation of such particulars on the request of the Company and shall indemnify and hold the Company harmless from any and all claims asserted and/or liability or losses suffered by reason of the Customer's failure to disclose information or any incorrect or false statement by the Customer upon which the Company reasonably relied. The Customer agrees that the Customer has an affirmative non-delegable duty to disclose any and all information required to import, export or enter the goods.

c. The Customer acknowledges that it is required to review all documents and declarations prepared and/or filed with the Canadian Customs, other government agency and/or third parties, and will immediately advise the Company of any errors, discrepancies, incorrect statements, or omissions on any declaration filed on the Customer's behalf.

d. The Customer shall be solely liable for:

- any and all disbursements made by the Company on behalf of the Customer; and,
- any customs duties, fines, penalties, interest or other levies imposed by Canada Customs

or other government departments with respect to the goods imported or to be imported into Canada, or exported or to be exported from Canada, by the Customer.

7. CUSTOMER'S RESPONSIBILITY FOR PACKAGES AND CONTAINERIZED GOODS

The Customer warrants that all goods have been properly and sufficiently prepared, packed, stowed, labeled and/or marked, and that the preparation, packing, stowage, labeling and marking are appropriate to any operations or transactions affecting the goods and the characteristics of the goods. The Customer further warrants that (a) the transport unit has been properly and completely loaded; (b) the goods are suitable for carriage in or on the transport on it; and, (c) the transport unit is in a suitable condition to carry the goods loaded therein.

8. QUOTATIONS AND IN VOICING

a. The compensation of the Company for its services shall be included with and is in addition to the rates and charges of all carriers and other agencies selected by the Company to transport and deal with the goods and such compensation shall be exclusive of any brokerage, commissions, dividends or other revenue received by the Company from carriers, insurers and others in connection with the shipment. In any referral for collection or action against the Customer for monies due to the Company, upon recovery by the Company, the Customer shall pay the expenses of collection and/or litigation, including a reasonable attorney fee, plus 18% interest p.a.

b. The Company shall not be obligated to incur any expense, guarantee payment or advance any money in connection with the importing, forwarding, transporting, insuring, storing, or cooping of the goods, unless the same is previously provided to the Company by the Customer on demand. The Company shall be under no obligation to advance freight charges, customs duties or taxes on any shipment, nor shall any advance by the Company be construed as a waiver of the provisions hereof.

c. Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the Company to the Customer are for informational purposes only and are subject to change without notice and shall not under any circumstances be binding upon the Company; provided that, the Company may specifically undertake, in writing, the handling or transport of the shipment at a specific rate subject to the Company's right to withdraw or otherwise revise such quotation. However, unless otherwise provided in the quotation the Company may, after acceptance, revise quotations or charges upon notice in the event of changes beyond the Company's control, including changes in exchange rates, rates of freight, carrier surcharges, or any charges applicable to the goods.

9. C.O.D. SHIPMENT

When goods are accepted or dealt with upon instructions to collect freight, duties, charges or other expenses from the Consignee or any other person, the Customer shall remain responsible for the same if they are not paid by such Consignee or other person immediately when due.

10. CHANGED CIRCUMSTANCES/FAILURE TO TAKE DELIVERY

If events or circumstances, including a Customer's failure to take delivery, occur that affect performance of the Customer's mandate, the Company shall take reasonable steps to obtain the Customer's further instructions. If for whatever reason it does not receive timely instructions, the Company may (a) store the goods at the sole risk and expense of the Customer; (b) sell the goods immediately and without further notice, and hold any net proceeds for the account of the Customer; or, (c) authorize any third party to abandon carriage and make the Goods or any part of them available to the Customer at a place that is reasonable in the circumstances.

11. DANGEROUS GOODS

a. It is the Customer's responsibility to identify and properly tender any shipment containing dangerous/hazardous goods. The Customer cannot delegate this responsibility, including the obligation to strictly comply with applicable laws to the Company.

b. Any hazardous materials and/or dangerous goods shipments must be approved by an authorized representative of the Company and all such shipments will be assessed a special rate for the applicable hazardous materials and/or dangerous goods shipments. Regardless of the following guidelines, the Company reserves the right to decline any shipment of hazardous materials and/or dangerous goods.

c. The Customer warrants to mark the goods and the outside of any packages or container in which they may be placed to comply with any laws or regulations that may be applicable during the carriage. The Customer further

warrants that the goods, the packaging and marking thereof comply in all respects with the provisions of any legislation or regulations governing the transportation of dangerous goods.

d. If the Customer fails to comply with the requirements of this Clause 11, the Customer shall indemnify the Company against all loss, damage or expense arising out of the goods being tendered for transportation or handled or carried by or on behalf of third parties retained by the Company.

e. Goods which in the opinion of the Company or the person who has custody or possession thereof are or may become dangerous and present a hazard may at any time or place be unloaded, destroyed or rendered harmless without liability on the part of the Company.

12. INSURANCE

The Company will effect marine, fire, theft and other insurance upon the goods only after specific written instructions have been received by the Company in sufficient time prior to shipment from point of origin, and the Customer at the same time states specifically the kind and amount of insurance to be placed. The Company does not undertake or warrant that such insurance can or will be placed. Unless the Customer has its own open marine policy and instructs the Company to effect insurance under such policy, insurance is to be effected with one or more insurance companies or other underwriters to be selected by the Company. Any insurance placed shall be governed by the certificate or policy issued and will only be effective when accepted by such insurance companies or other underwriters. Should an insurer dispute its liability for any reason, the insured shall have recourse against the insurer only and the Company shall not be under any responsibility or liability in relation thereto, notwithstanding that the premium upon the policy may not be at the same as that charged or paid to the Company by the Customer, or that the shipment was insured under a policy in the name of the Company. Insurance premiums and the charge of the Company for arranging the same shall be at the Customer's expense. If for any reason the goods are held in warehouse, or elsewhere, the same will not be covered by any insurance, unless the Company receives written instructions from the Customer. Unless specifically agreed in writing, the Company assumes no responsibility to effect insurance on any export or import shipment which it does not handle.

13. NOTIFICATION OF CLAIMS

a. In no event shall the Company be liable for any act, omission or default by it in connection with an exportation or importation, unless a claim therefore shall be presented to it at its office within one hundred eighty (180) days from date of exportation or importation of the goods in a written statement to which sworn proof of claim shall be attached. No suit to recover for any claim or demand hereunder shall in any event be maintained against the Company unless instituted within one hundred eighty (180) days after presentation of the said claim as above provided. No agent or employee of the Company shall have authority to alter or waive any of the provisions of this clause.

b. Any errors or omissions on Canada Customs documents and/or data transmissions must be reported in writing to the Company by the Customer as soon as possible, but in any event within ten (10) days of receipt of the documents and/or data. The Company shall not be responsible for any error or omissions unless the same are reported to the Company within the said ten (10) day period.

c. Failing notice as required by this clause, the claim is barred and no action can be brought against the Company to enforce the claim.

14. CLAIMS AGAINST OTHERS

These Conditions also apply whenever any claim is made against any employee, agent or independent contractor engaged by the Company to perform any transport or related service for the Customer's goods, whether such claims are founded in contract or in tort, and the aggregate liability of the Company and all such persons shall not exceed the limitations of liability in these conditions. For purposes of this Clause, the Company acts as agent for all such persons who may ratify such agency at any subsequent time.

15. LIMITATION OF LIABILITY

a. Compensation for any transportation claim for which the Company is liable shall not in any event exceed the limitation of liability pursuant to the applicable contract of carriage involved.

b. The Customer agrees for customs brokerage services the Company shall in no event be liable for any loss, damage, expense or delay to the goods resulting from the negligence or other fault of the Company for any amount in excess of \$50 per shipment (or the invoice value, if less) and any partial loss or damage for which the Company may be liable shall be adjusted pro rata on the basis of such valuation.

c. The Company shall not in any circumstances be liable for damages arising from indirect, incidental, special, loss of profit, punitive statutory and/or consequential damages.

d. The Company while acting as customs broker shall not be liable for any error in judgment or for anything which it may do or refrain from doing or for any resulting or consequential damage or loss caused by the negligence of Company or by an act of God or other act or cause beyond the reasonable control of the Company, The Company shall not be liable for any failure to provide the services which is a result of the operation of the applicable laws of Canada or any other country or a change in the policies of Canada Customs.

e. Upon the Customer's written request, the Company may accept liability in excess of these limits provided the Customer pays the Company's additional charges for such increased liability. The Customer can obtain details of these charges from the Company.

16. INDEMNITY

The Customer shall indemnify the Company against all duties, taxes, payments, fines, expenses (including reasonable attorney fees and costs), losses, claims and liabilities, including any liability to indemnify any other person against claims made against such other person by the Customer or by the Owner, (a) for which the Company may be held responsible unless caused by any negligent breach of duty of the Company; (b) for ocean or other freight, duties, fines, penalties, liquidated damages or other money due arising from a shipment of goods of the Customer; (c) for any liability arising from the importation or exportation of customers merchandise and/or conduct of the Customer, which violates any national, province and/or other laws; or, in excess of the liability of the Company in accordance with these Conditions, resulting from or connected with the actions of the Company related to any service to which these Conditions apply.

17. SET OFF AND COUNTERCLAIM

a. The Customer shall pay to the Company in cash, or as otherwise agreed, all sums immediately when due without reduction or deferment on account of any claim, counterclaim or set off.

b. Notwithstanding any course of dealing, course of conduct, course of performance or usage of trade, no failure or delay by the Company to exercise any right, remedy, privilege or power shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, privilege or power prevent the Company from other or further exercise of any right, remedy, privilege or power.

18. RIGHT OF DETENTION AND LIEN

All property (including goods and documents relating to goods) now or hereafter in the Company's possession, custody or control or en route shall be subject to a particular and general lien and right of detention for monies or other obligations owing either in respect of such property, or for any particular or general balance or other monies owed, whether then due or not, by the Customer, sender, consignee or owner of the goods to the Company. If these monies or other obligations are not paid or performed when due, then in addition to any other rights it has under other agreements and/or applicable law the Company shall have all of the rights of a secured party under the Personal Property Security Act applicable in the Province within Canada in which the Company has its principal place of business. If the Company is required by law to give notice of any sale or other disposition, then notice given by any means of communication reasonable in the circumstances at least fourteen (14) days prior to any proposed action constitutes fair and reasonable notice. The Company will not be liable for any deficiencies or reduction in value received on the sale or other disposition nor will the Customer be relieved from the liability merely because the property has been sold.

19. CONFIDENTIALITY

All information pertaining to the Customer shall be kept confidential by the Company and shall only be released to Canada Customs or other governmental organization as required by law, subject to instructions from the Customer to the Company to release the information to third parties. Further, all information pertaining to the Company and the services and/or rates the Company is providing shall be kept confidential by the Customer. Such Company information shall only be released as required by law.

20. CUSTOMARY REMUNERATION RECEIVED FROM THIRD PARTIES

The Company shall be entitled to be paid and retain all brokerages paid by carriers, commissions, documentation allowances, profits on foreign exchange and other remunerations paid by third parties as is customary in the trade.

21. APPLICABLE LAW AND JURISDICTION

The Parties agree that where they have used electronic communications to transact in whole or in part any business such communications will be given legal effect in accordance with the provisions (so far as they may be applicable) of the Uniform Electronic Commerce Act as approved by the Uniform Law Conference of Canada. Otherwise these Conditions shall be governed by the law of the Province within Canada in which the Company has its principal place of business. By accepting the services provided under these Conditions, the Customer irrevocably attorns to the exclusive jurisdiction of the Courts of that Province. These Conditions have been drawn up in the English language at the express request of the parties hereto. Les parties aux présentes ont expressément requis que la présente convention soit rédigée en langue anglaise.