

Standard Terms and Conditions governing the Negotiable BILL OF LADING ("BL")

1. Issuance of this BL

By issuing this BL, the Freight Forwarder hereby undertakes to perform and/or procure the performance of the entire transport, starting at the Place of Receipt to the place of delivery set out in this BL.

2. Negotiability and Title

2.1. Unless marked "non-negotiable", this BL is issued in a negotiable form. This BL constitutes title to the Goods and by endorsement of this BL, the holder shall be entitled to receive or to transfer the Goods.

2.2. Unless otherwise indicated on this BL, this BL constitutes *prima facie* evidence that the Freight Forwarder has taken in charge the Goods. Evidence to the contrary shall not be admissible once the BL has been transferred to the Consignee for valuable consideration who has relied and acted on it.

3. Dangerous Goods

3.1. The Merchant shall comply with all rules, regulations and laws under national law or international convention relating to the carriage of dangerous goods, and before the Goods are Taken in charge by the Freight Forwarder, the Merchant shall notify the Freight Forwarder in writing of the exact danger, if applicable, and the precautions to be taken.

3.2. If the Merchant fails to provide to the Freight Forwarder the information required by section 3.1 and if, at any time the Goods are deemed to be hazardous, the Freight Forwarder may unload and/or destroy the Goods, as necessary, without liability to the Merchant. The Merchant shall bear the burden of proving that the Freight Forwarder knew the exact danger associated with the Goods and the carriage of same.

3.3. If the Goods or any portion thereof become hazardous by no fault or neglect of the Freight Forwarder, the Freight Forwarder may unload and/or destroy the Goods, as necessary, without liability to the Merchant.

3.4. The Merchant shall indemnify the Freight Forwarder, its directors, officers, shareholders, employees, successors and assigns, against any and all loss, damage, liability, or expenses arising out of the Freight Forwarder having Taken in charge the Goods, the carriage of the Goods, and/or any service related thereto.

4. Description of Goods and Merchant's Packing and Inspection

4.1. The Consignor is deemed to have guaranteed to the Freight Forwarder, as of the time the Goods are Taken in charge, the accuracy of the particulars of the Goods, including but not limited to the general nature of the Goods, their marks, quantity, weight, volume and numbers and, if applicable, the dangerous nature of the Goods.

4.2. The Consignor shall indemnify the Freight Forwarder, its directors, officers, shareholders, employees, successors and assigns, against any and all loss, damage, liability, or expenses resulting from any inaccuracy or inadequacy of such particulars and the Consignor shall remain liable notwithstanding whether the Goods have been transferred to him/her/it.

4.3. In no event shall the Freight Forwarder be liable for any loss, damage or expense caused by defective or insufficient Goods and/or inadequate loading or packing within containers by fault of the Merchant, or anyone for any associate or agent of the Merchant, or by the defect or unsuitability of the containers or other transport units supplied by the Merchant, or if such container is supplied by the Freight Forwarder any defect or unsuitability which was being discovered upon reasonable inspection by the Merchant. The Merchant shall indemnify the Freight Forwarder, its directors, officers, shareholders, employees, successors and assigns, against any and all loss, damage, liability, or expenses resulting from the foregoing.

5. Liability of Freight Forwarder

5.1. Subject to the terms and conditions herein, the Freight Forwarder shall be solely responsible for the acts and omissions of its employees, agents, and any other person who provides services to the Freight Forwarder for the performance of the contract evidenced by this BL.

5.2. The responsibility of the Freight Forwarder for the Goods shall be limited to the point that the Goods are Taken in charge to the time that they are delivered.

5.3. Subject to the terms hereof, the Freight Forwarder shall be liable for loss of or damage to the Goods as well as for delay in delivery if the event which caused such loss, damage or delay occurred while the Goods were in his charge, save that the Freight Forwarder shall not be liable if he can prove such loss, damage or delay resulted from no fault or neglect of his own, his employees, agents, or any other person who provides services to the Freight Forwarder for the performance of the contract evidenced by this BL. Notwithstanding the foregoing, the Freight Forwarder shall only be liable for loss following from delay in delivery if the Consignor has notified the Freight Forwarder of its interest in timely delivery and same has been accepted by the Freight Forwarder and expressly stated in this BL.

5.4. The parties acknowledge that arrival times are not guaranteed by the Freight Forwarder. Delay in delivery occurs when the Goods have not been delivered within the time expressly agreed upon or, in the absence of such agreement, within such time as would be reasonably expected, having regard to the circumstances in each case.

5.5. If the Goods have not been delivered within ninety (90) consecutive days following such date of delivery as determined by Section 5.4, the claimant may, without evidence to the contrary, treat the Goods as lost.

5.6. When the Freight Forwarder establishes that loss or damage to the Goods could be attributed to one or more of the following causes or events, it shall be presumed that such loss or damage was so caused, provided however, that the claimant shall be entitled to rebut such presumption by proving that the loss or damage was not, in fact, caused wholly or partly by one or more of such causes or events:

- an act or omission of the Merchant, or person other than the Freight Forwarder acting on behalf of the Merchant or from whom the Freight Forwarder took the Goods;
- Insufficiency or defective condition of the packaging, marks and/or numbers;
- Handling, loading, stowage or unloading of the Goods by the Merchant or any person acting on the Merchant's behalf;
- Inherent defect of the Goods; or
- Strike, lockout, work stoppage or restraint of labour.

5.7. Notwithstanding the foregoing, the Freight Forwarder shall not be liable for any loss, damage or delay in delivery with respect to the Goods carried by sea or inland waterways if such loss, damage or delay is caused by:

- any act, neglect, or default of the master, mariner, pilot or the servants of the Freight Forwarder in the navigation or in the management of the ship;
- fire, unless such fire was caused by the fault of the Freight Forwarder, provided however that whenever loss or damage has resulted from unseaworthiness of the ship, the Freight Forwarder can prove that due diligence was used to make the ship seaworthy at the commencement of the voyage.

6. Paramountcy

6.1. If either the port of loading or the port of discharge named on the face hereof is located in the United States of America (USA), this BL shall have the effect subject to provisions of the Carriage of Goods by Sea Act of the USA approved April 16, 1936 (COGSA), and the governing law of the contract evidenced by this BL shall be the law of the USA. If either the port of loading or the port of discharge is located in Canada, this BL shall have the effect subject to the provisions of the International Maritime Convention Act, and the governing law of the contract evidenced by this BL shall be the law of the province of Canada where the port is located. When one port is located in the USA and one port is located in Canada, the applicable law shall be subject to the provisions of the Canadian Marine Liability Act and governed by the law of the province of Canada where the applicable port is located. In either such event, the provisions of the applicable act shall be deemed to be incorporated herein and shall govern before the Goods are loaded on and after they are loaded on the ship throughout the time the Goods are in the actual custody of the Freight Forwarder.

6.2. Subject to 6.1, if this BL is issued in a country which has adopted the Hague Rules or has no law of a mandatory nature respecting the rights and obligations of parties to a contract of sea carriage of goods, this BL shall have effect subject to, and shall be deemed to incorporate, the Hague Rules.

6.3. In all cases not provided for in 6.1 and 6.2, this BL shall have effect subject to the "Hague-Visby Rules" and the "Hague Rules" means the International Convention for the Unification of Certain Rules of Law relating to Bills of Lading signed at Brussels on August 25, 1924 or any enactment giving effect to the substances of the Rules. The "Hague-Visby Rules" means the Hague Rules as amended by the Protocols signed at Brussels on February 23, 1968 and December 21, 1979. Except where the law of the USA applies in accordance with 6.1, the governing law of the contract evidenced by this BL shall be Canadian Maritime Law.

7. Limitation of Liability

7.1. Compensation shall be calculated by reference to the value of Goods at the place and the time they are delivered to the Merchant or at the place and time they should have been delivered. For the purposes of determining the extent of the Freight Forwarder's liability for loss of or damage to the Goods, the sound value of the Goods is agreed to be the invoice value plus freight and insurance if paid.

7.2. Whenever the Hague Rules are applicable, otherwise than by national law, in determining the liability of the Freight Forwarder, the liability shall in no event exceed 100 pounds sterling per package or unit.

7.4. The Freight Forwarder acknowledges that the Freight Forwarder has no knowledge of the value of the Goods, and that higher compensation than that provided above may not be claimed unless, with the consent of the Freight Forwarder, the value of the Goods delivered by the Freight Forwarder prior to the commencement of the carriage is stated on this BL and extra freight paid, if required, in this case, the amount of the declared value shall be substituted for the limits laid down above. Any partial loss or damage shall be adjusted pro rata on the basis of such declared value.

7.4. The Freight Forwarder does not undertake that the Goods shall arrive at the port of discharge or the place of delivery at any particular time to meet any particular market or use, and the Freight Forwarder shall in no circumstances whatsoever and howsoever arising be liable for direct or indirect or consequential losses or damage caused by delay.

7.5. The terms of this BL shall at all times govern all responsibilities of the Freight Forwarder in connection with or arising out of supply of a container to the Merchant, not only during the carriage, but also during the periods prior to and/or subsequent to the carriage. The exemptions from liability, defenses and limits of liability provided for in this BL shall apply to any container used by the Freight Forwarder for loss or damage or delay, howsoever occurring and whether the action be founded in contract or in tort and even if the loss, damage, or delay arose as a result of unseaworthiness, negligence or fundamental breach of contract. Save as is otherwise provided herein, the Freight Forwarder shall in no circumstances whatsoever and howsoever arising be liable for direct or indirect or consequential loss or damage.

7.6. If, by order of the authorities of any place, any container has to be opened for the Goods to be inspected, the Freight Forwarder shall not be liable for any loss or damage incurred as a result of any opening, unpacking, inspection or repackaging. The Freight Forwarder shall be entitled to recover the cost of such opening, unpacking, inspection, and repackaging from the Merchant.

7.7. In no event shall the aggregate liability of the Freight Forwarder exceed the limits of liability for total loss of the Goods.

8. Applicability to Actions in Tort

These conditions shall apply to any and all claims against the Freight Forwarder relating to the performance of the contract evidenced by this BL, whether the claim be founded in contract or in tort.

9. Liability of Employees and Agents

9.1. These terms and conditions shall apply to any claims made against any employee, agent or other person (including any independent contractor) who provides services to the Freight Forwarder for the performance of the contract evidenced by this BL (collectively the "Freight Forwarder Parties"), whether such claims are founded in contract or in tort, and the aggregate liability of the Freight Forwarder and Freight Forwarder Parties shall not exceed the limitations set out in Article 9 hereof.

9.2. Upon executing the contract evidenced by this BL, the Freight Forwarder, to the extent of these terms and conditions, does hereby act as agent or trustee for the Freight Forwarder Parties for the performance of the contract, and such persons shall to this extent be deemed to be the Freight Forwarder.

9.3. The Freight Forwarder Parties shall not be entitled to the benefit of the limitation of liability if it is proven that the loss, damage or delay in delivery resulted from reckless and/or willful misconduct of the applicable Freight Forwarder Parties.

9.4. The aggregate of the amounts recoverable from the Freight Forwarder and the Freight Forwarder Parties shall not exceed the limits provided for in these conditions.

10. Method and Route of Transportation

10.1. The Freight Forwarder may at any time, without notice to the Merchant, carry the Goods on or under deck and choose or substitute the means, mode and procedure to be followed in the handling, stowage, storage and transportation of the Goods.

10.2. The Merchant warrants that the Goods are loaded will be properly and adequately packed (including, but not limited to, any necessary lashing or fastening) for the intended carriage by sea and the Freight Forwarder shall not be liable for loss or damage to the Goods due to the insufficiency of packing, unless such insufficiency is apparent at the time of delivery into the care of the Freight Forwarder and whether or not exception thereto is noted on the face of the BL, notwithstanding that the Goods may be stated to have been received in apparent good order and condition.

10.3. The Merchant warrants that the Goods are fit for deck carriage.

10.4. The Merchant shall comply with all applicable laws, regulations and requirements of customs, port and other authorities and shall be liable for any payment, expense, fine, dues, duty, tax, impost, loss, damage or detention sustained or incurred by or paid upon the Freight Forwarder or the ship in connection with the Goods, howsoever caused, including, but not limited to: any action or requirement of any government or governmental authority or person purporting to act under the authority thereof; seizure; incorrect or insufficient marking, numbering or addressing of packages or description of the contents; failure of the Merchant to procure Consular, Board of Health or other requisite certificate to accompany the Goods; failure to comply with laws or regulations of any kind imposed with respect to the Goods by the authorities at any port or place; or any act or omission of the Merchant.

11. Delivery

11.1. The Goods shall be deemed to be delivered when they have been handed over or placed at the disposal of the Consignee or his agent in accordance with this BL, or when the Goods have been handed over to any authority or other party to whom, pursuant to domestic law or regulation applicable at the place of delivery, the Goods must be handed over, or to any authority at which the Freight Forwarder is entitled to call upon the Merchant to take delivery.

11.2. The Freight Forwarder shall be entitled to store the Goods at the sole risk and cost of the Merchant, and the Freight Forwarder's liability shall immediately cease.

11.3. If at any time the carriage under this BL is or is likely to be affected by any hindrance or risk of any kind (including the condition of the Goods) not arising from any fault or neglect of the Freight Forwarder or the Freight Forwarder Parties, the Freight Forwarder may abandon the carriage of the Goods under this BL and, where reasonably possible, place the Goods or any part of them at the Merchant's disposal at any place which the Freight Forwarder may deem safe and convenient, at which point delivery shall be deemed to have been made, and the responsibility of the Freight Forwarder in respect of such Goods shall cease. The Freight Forwarder shall be entitled to full freight under this BL and the Merchant shall pay any additional costs resulting therefrom.

11.4. Refusal by the Merchant to take delivery of the Goods in accordance with the terms of this clause notwithstanding his having been notified of the availability of the Goods for delivery shall constitute a waiver by the Merchant of the Freight Forwarder of any claim whatsoever relating to the Goods or the carriage thereof.

11.5. If the Merchant fails to take possession of the Goods within 30 days of becoming obliged to do so, or if, in the opinion of the Freight Forwarder, the Goods are likely to deteriorate, decay, become worthless or incur charges, whether for storage or otherwise, in excess of their value, the Freight Forwarder may, without notice to the Merchant and without prejudice to any other rights he may have against the Merchant, proceed to sell the Goods either privately or by public auction and apply the proceeds of such sale in reduction of sums owed to him by the Merchant.

12. Freight and Charges

12.1. Freight shall be paid in cash, without deduction or postponement on account of any claim, counterclaim or set-off, deduction or stay of execution whether prepaid or payable at delivery.

Freight shall be deemed fully earned by the Freight Forwarder at the moment when the Goods have been Taken in charge, and not to be returned in any event.

12.2. Freight and other amounts paid pursuant to this BL are to be paid in the currency earned in this BL or, at the Freight Forwarder's option, in the currency of the country of dispatch or destination at the highest rate of exchange on the day of dispatch and for freight payable at destination on the day when the Merchant is notified of the arrival of the Goods or on the date of withdrawal of the delivery order, whichever rate is the higher, or at the option of the Freight Forwarder, on the date of this BL.

12.3. All dues, sums, taxes, charges and/or other expenses in connection with the Goods shall be the sole responsibility of the Merchant. Without limiting the generality of the foregoing, where equipment is supplied by the Freight Forwarder, the Merchant shall pay any charges that are not due to a fault of the Freight Forwarder, including but not limited to any demurrage.

12.4. The Merchant shall reimburse the Freight Forwarder in proportion to the amount of freight for any costs for deviation or delay or any other increase of costs of whatever nature caused by force majeure events, such as war, warlike operations, epidemics, strikes, government directions, acts of God, etc.

12.5. The Merchant represents and warrants that the declaration of contents, insurance, weight, measurements or value of the Goods is complete and accurate. The Freight Forwarder is entitled to have the contents inspected and the weight, measurements, value, etc. verified. If on such inspection it is discovered that the declaration is incorrect, a sum equal to (a) five (5) times the difference between the correct figure and the freight charged, or (b) double the correct freight less the freight charged, whichever is less, shall be payable as liquidated damages to the Freight Forwarder for its inspection costs and losses of freight on other Goods notwithstanding any other sum having been stated on this BL as freight payable.

12.6. Despite instructions to the Freight Forwarder to collect freight, charges or other expenses from any other person in respect of the transport of the Goods under this BL, the Merchant shall remain responsible for such monies on receipt of evidence of demand and the absence of payment for any reason.

13. Lien

The Freight Forwarder shall have a lien on the Goods and any document relating thereto for all sums payable to the Freight Forwarder under this or any other contract by any of the persons defined as the Merchant and for general average contributions, to whomsoever due, and for the cost of recovering them, including attorney's fees, and for that purpose shall have the right to sell the Goods by public auction or private sale without notice to the Merchant.

15. General Average

15.1. In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, due to negligence or not for which, or for the consequence of which, the Freight Forwarder is not responsible, by statute, contract or otherwise, the Merchant shall contribute with the Freight Forwarder in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the Goods.

15.2. General average shall be adjusted in accordance to the York/Antwerp Rules of 1974 as amended 1990 at any port or place at the option of the Freight Forwarder whether declared by the Freight Forwarder or a sub-contractor of the Freight Forwarder. The Merchant shall give such cash deposit or other security as the Freight Forwarder may deem sufficient to cover the estimated general average contribution of the Goods before delivery if the Freight Forwarder requires, or, if the Freight Forwarder does not require, within three months of the delivery of the Goods, whether or not at the time of the delivery, the Merchant shall be notified of the Freight Forwarder's lien. The Freight Forwarder shall be under no obligation to exercise any lien for general average contribution due to the Merchant.

15.3. If a salving vessel is owned or operated by the Freight Forwarder, salvage shall be paid for as fully as if the salving vessel or vessels belonged to strangers.

16. Note to Blame Collision

If the collision or damage comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default in the navigation or the management of the carrying vessel, the Merchant undertakes to pay the Freight Forwarder, or if the Freight Forwarder is not the owner and in possession of the carrying vessel, to pay to the Freight Forwarder as trustee for the owner and/or demise charterer of the carrying vessel, a sum sufficient to indemnify the Freight Forwarder and/or the owner and/or demise charterer of the carrying vessel against loss or liability for loss or damage to the Goods or for any loss or liability as such loss or liability represents the loss of or damage to the Merchant and set-off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying vessel or her owners or demise charterers of the Freight Forwarder. The foregoing provisions shall also apply if the owners, operators or those in charge of any vessel or vessels or objects, other than, or in addition to the colliding vessel or objects, are at fault in respect of a collision, in contact, stranding or other accident.

17. Notice of Loss or Damage

17.1. If the Consignee does not provide to the Freight Forwarder notice of loss of or damage to the Goods, specifying the general nature of such loss or damage, upon delivery to the Consignee, such handing over shall constitute *prima facie* evidence of final delivery by the Freight Forwarder of the Goods as described in this BL and acceptance by the Merchant.

17.2. Where the loss or damage is not apparent, the Consignee shall have six (6) consecutive days after delivery of the Goods to provide notice to the Freight Forwarder of such loss or damage, failing which the Goods as described in this BL will be deemed to have been delivered and accepted.

18. Limitation Period

Unless otherwise expressly agreed, the Freight Forwarder shall be discharged of any and all liability under these terms and conditions unless an action is brought against the Freight Forwarder within nine (9) months after the date of delivery of the Goods, or the date when the Goods should have been delivered, or the date on which failure to deliver the Goods would give the Consignee the right to treat the Goods as lost under section 6.5.

19. Partial Invalidity

Should any clause of the contract evidenced by this BL, these terms or conditions, or any part thereof be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining clauses or any part thereof.

20. Variation of Contract

No servant or agents of the Freight Forwarder have the power to waive or vary any of the terms of this BL unless such waiver or variation in writing and specifically authorized or ratified in writing by the Freight Forwarder.

21. Jurisdiction

Any action by the Merchant arising out of the Goods carried under this BL shall, whenever the port of loading or the port of discharge named on the face hereof is in the USA, be brought only in the United States District Court having admiralty jurisdiction at the USA port of loading or the USA port of discharge, as the case may be, to the exclusion of any other court or forum. In all other cases, such action by the Merchant shall be brought exclusively in the Federal Court of Canada.

Definitions:

In these standard Terms and Conditions:

"**Freight Forwarder**" means the Multimodal Transport Operator who issues this BL and is named on the face of it and assumes liability for the performance of the multimodal transport contract as carrier.

"**Merchant**" means and includes the Shipper, the Consignor, the Consignee, the holder of this BL, the receiver and the owner of the Goods.

"**Consignor**" means the person who concludes the multimodal transport contract with the Freight Forwarder.

"**Consignee**" means the person entitled to receive the Goods from the Freight Forwarder.

"**Place of charge**" means that the Goods have been handed over to and accepted for carriage by the Freight Forwarder at the place of receipt evidenced in this BL.

"**Goods**" means any property including live animals as well as containers, pallets or similar articles of transport or packaging not supplied by the Freight Forwarder, irrespective of whether such property is to be or is carried on or under deck.

"**Place of Receipt**" means the place at which the Goods are Taken in charge.