



STANDARD TRADING CONDITIONS of
THE CANADIAN INTERNATIONAL FREIGHT FORWARDERS ASSOCIATION, INC.
ASSOCIATION DES TRANSITAIRES INTERNATIONAUX CANADIENS, INC.

Adopted May 1986
Amended May 1988
Amended May 1998

The Customer's attention is drawn to the Clauses hereof which exclude or limit the Company's liability and those which require the Customer to indemnify the Company in certain circumstances.

DEFINITIONS

1. In these Conditions:

Company. is the C.I.F.F.A. Member trading under these Conditions.

Conditions. means the entire undertakings, terms, conditions and Clauses embodied herein.

Customer. means any person at whose request or on whose behalf the Company undertakes any business or provides advice information or services.

Dangerous Goods. means goods as statutorily defined in the appropriate Federal or Provincial Legislation of Canada.

FBL. means a Bill of Lading or Waybill covering the carriage of goods, and includes a FIATA Combined Transport Bill of Lading.

Goods. means the objects of the services provided hereunder and shall include any packing containers or equipment.

Instructions. means a statement of the Customer's specific requirements.

The Owner. means the owner of the goods (including any packaging, containers or equipment) to which any business concluded under these conditions relates and any other person who is or may become interested in them.

Person. includes persons or any body or bodies corporate.

Special Arrangements. means arrangements made in accordance with express instructions, in writing, previously received and accepted by the Company.

Transport Units. means containers, trailers, flats, tilts, railroad cars, tanks, igloos, or any other unit load device specifically constructed for the carriage of goods by land, sea or air.

HEADINGS

2. Headings of Clauses or groups of Clauses are for indicative purposes only.

APPLICATION

3. (A) Subject to Sub-clauses (B) and (C) below all and any activities of the Company in the course of business whether gratuitous or not are undertaken subject to these Conditions.

(B) If any legislation is compulsorily applicable to any business undertaken, these Conditions shall as regards such business, be read as subject to such legislation and nothing in these Conditions shall be construed as a surrender by the Company of any of its rights or immunities or as an increase of any of its responsibilities or liabilities under such legislation and if any part of these Conditions be repugnant to



such legislation to any extent such part shall as regards such business be severable and overridden to that extent and no further.

(C) Subject to Sub-clause (B) above, the Company and the Customer may agree that, in respect of all or any part or parts of any contract for the movement of goods, the Company shall issue an 'FBL'. Where such document is issued, the terms and conditions embodied in it shall be paramount in governing the relationship between the Customer and the Company insofar as those terms and conditions are inconsistent with or repugnant to these Conditions.

THE COMPANY'S GENERAL RESPONSIBILITIES

4. (A) The Company shall perform its duties with a reasonable degree of care, diligence, skill and judgement.

(B) Subject to Clause 17 hereof, the Company shall carry out its services within a reasonable time.

(C) Subject to these Conditions and in particular to the discretion reserved to the Company below the Company shall take all reasonable steps to perform any of the Customer's instructions accepted by the Company.

(D) If at any stage in any transaction the Company should reasonably consider that there is good reason in the Customer's interests to depart from any of the Customer's instructions, the Company shall be permitted to do so and shall not incur any additional liability in consequence of so doing.

(E) When using its discretion as permitted in these Conditions, the Company shall do so with due regard to the interests of the Customer.

5. (A) If after a contract has been agreed events or circumstances come to the attention of the Company which in the opinion of the Company make it wholly or in part impossible for the Company to fulfil its duties it shall take reasonable steps to inform the Customer of such events or circumstances and seek further instructions.

(B) Quotations are given on the basis of immediate acceptance and are subject to withdrawal or revision. Unless otherwise agreed in writing the Company shall be, after acceptance, at liberty to revise quotations or charges with or without notice in the event of changes outside the Company's control occurring in currency exchange rates, rates of freight, insurance premiums or any charges applicable to the goods.

THE CUSTOMER'S UNDERTAKINGS

6. (A) The Customer shall be deemed to be competent and to have reasonable knowledge of matters affecting the conduct of their business, including terms of sale and purchase and all other matters relating thereto.

(B) The Customer shall give sufficient and executable instructions, and the Company shall, within the limits of its duty of care and diligence, inform the Customer if it considers that the Customer's instructions are insufficient or inexecutable.

7. The Customer warrants that it is either the Owner or the authorized agent of the Owner and also that it is accepting these Conditions not only for itself but also as agent for and on behalf of the Owner.

8. The Customer warrants that the description and particulars of any goods furnished by or on behalf of the Customer are full and accurate.

9. (A) 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.

(B) The Company shall have the right to enforce any liability of the Customer under these Conditions or to recover any sums to be paid by the Customer under these Conditions not only against or from the Customer but also if it thinks fit against or from the sender and /or consignee and/or Owner.

10. No Claim shall be made on any grounds whatsoever against:

(i) any officer, director, employee or agent or servant of the Company.

(ii) any of its parent subsidiary or associated companies. except to enforce any contract to which the Customer and such Company are parties by virtue of Clause 28 or 29 hereof, which seeks to impose upon them any liability in connection with the business undertaken by the Company or with the goods. For the purposes of this Clause the Company contracts as agents for all of the aforementioned.

11. The Customer shall indemnify the Company against all duties, taxes, payments, fines, expenses, losses, damages (including physical damage) and liabilities in excess of the liability of the Company in accordance with these Conditions, suffered or incurred by the Company in the performance of its obligations under any contract to which these Conditions apply, including any liability to indemnify any other person against claims made against such other person by the Customer or by the Owner.

12. (A) The Customer shall warn the Company if any goods which are the subject of any transaction to which these Conditions apply are liable to taint or affect other goods, or are likely to harbour or encourage vermin or other pests, and the Customer shall indemnify the Company against any liability, loss, damage, costs or expenses incurred by the Company as a consequence of the Customer's failure to do so or for failure to do so in good time.

(B) Except where the Company has accepted instructions in respect of the preparation, packing, stowage, labeling or marking of the 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.

(C) Where the goods are carried in or on any transport unit then, save where the Company has accepted instructions as principal to load the transport unit, the Customer warrants:

(i) that the transport unit has been properly and competently loaded;

(ii) that the goods are suitable for carriage in or on the transport unit; and

(iii) that the transport unit is in a suitable condition to carry the goods loaded therein (save to such extent as the Company has approved the suitability of the transport unit).

13. The Customer shall indemnify the Company in respect of any claims of a general average nature which may be made on it and shall provide such security as may be required by the Company in this connection.

14. Any claim by the Customer or Owner against the Company, (except in the case of air carriage to which the Warsaw Convention applies, in which case the claim shall be subject to the provisions of that Convention), shall be made in writing or by telex and notified to the Company as soon as events which may give rise to a claim are known to the Customer or owner of the goods and in any event:

(i) in case of loss and/or damage to goods within 45 days of end of transit,

(ii) in case of delay in delivery or nondelivery within 45 days of the date when the goods should have been delivered,



(iii) in any other case 60 days of the event giving rise to the claim. Any claim not made and notified within the times provided for by Sub-Clauses (i)-(iii) here in shall be deemed to be waived and absolutely barred except where the Customer or Owner can show that it was impossible for them to comply with these time limits in which case any claim shall be barred if not made without delay.

THE COMPANY'S ROLE

15. (A) When acting as an agent, the Company does not make or purport to make any contract with the Customer for the carriage, storage, packing or handling of any goods nor for any other physical service in relation to them and acts solely on behalf of the Customer in securing services by establishing contracts with third parties so that direct contractual relationships are established between the Customer and such third parties.

(B) Where the Company has held itself out to be the operator of a regular line or service over the route, or part of the route, on which the goods are to be carried, has accepted instructions for the carriage of the goods by that line or service, and has issued an "FBL" the Company shall (except where the Company procures a bill of lading or other document evidencing a contract of carriage between the carrier and the Customer or Owner) be deemed to provide such carriage, or such part thereof, as principal contractor, without prejudice to the question whether any of the other services are arranged by the Company as agent or provided as principal contractor.

(C) Except to the extent set out in Subclause (B) the Company shall be deemed to be acting as agent in any case where the Company enters into a contract with any other person for the carriage, storage, packing or handling of the goods or for any other services in relation thereto and such contract is capable of being enforced by the Customer or Owner as principal whether or not the Customer or Owner is named or disclosed as principal by the Company.

(D) The charging or agreement to charge a fixed price for any service shall not of itself determine whether the Company arranges such service as agent or provides the same as principal contractor.

COMPANY'S GENERAL CONDITIONS

16. Notwithstanding any of the provisions hereof the Company shall in any event be discharged of all liability whatsoever arising in respect of any service provided for the Customer or which the Company has undertaken to provide unless suit be brought as provided for in these Conditions within nine months from

- (i) the date of the event or occurrence alleged to give rise to the Company's liability, or
- (ii) after the delivery of any goods covered by the service, or the date when such goods should have been delivered, whichever is the later.

17. Except under special arrangements the Company accepts no responsibility for departure or arrival or dates of goods.

18. (A) If delivery of the goods or any part thereof is not taken by the Customer, Consignee or Owner, at the time and place when and where the Company is entitled to call upon such person to take delivery thereof the Company shall be entitled to store the goods or any part thereof at the sole risk of the Customer, whereupon the liability of the Company in respect of the goods or that part thereof stored as aforesaid shall wholly cease and the cost of such storage if paid for or payable by the Company or any agent or sub-contractor of the Company shall forthwith upon demand be paid by the Customer to the Company.

(B) (i) The Company shall be entitled at the expense of the Customer to dispose of (by sale or otherwise as may be reasonable in all the circumstances)

(a) on 21 days notice in writing to the customer, or where the Customer cannot be traced and reasonable efforts have been made to contact any parties who may reasonably be supposed by the Company to have any interest in the goods, any goods which have been held by the Company for 90 days and which



cannot be delivered as instructed; and

(b) without prior notice, goods which have perished, deteriorated or altered or are in immediate prospect of doing so in a manner which has caused or may reasonably be expected to cause loss or damage to third parties or to contravene any applicable laws or regulations.

B (ii) The Company shall give appropriate credit to the Customer for any balance arising out of the proceeds of sale of the goods after deduction of the Company's costs of sale.

19. Except insofar as may be required to comply with the Customer's instructions as regards documentation, or except under special arrangements the Company shall not be obliged to arrange for the goods to be carried stored or handled separately from other goods .

20. No insurance will be effected except upon special arrangements with the Customer and all insurances effected by the Company are subject to the usual exceptions and conditions of the policies of the Insurance Company or Underwriters taking the risk. The Company shall not be under any obligation to effect a separate insurance on each consignment but may declare it on any open or general policy. Notwithstanding that the premium on the policy may not be the same as that charged by the Company to the Customer the Company shall in no circumstances incur liability as insurer and if for any reason the container in which they may be placed, as required by any laws or regulations which may be applicable during the carriage. In the case of goods where the place of receipt is a point within Canada, the Customer further warrants that the goods, the packaging and marking thereof comply in all respects with the provisions of the Transportation of Dangerous Goods Act of the Parliament of Canada and the Regulations passed thereunder.

(B) If the requirements of Sub-clause (A) are not complied with, 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 the Company.

(C) Goods which in the opinion of the Company or the person who has custody or possession thereof are or at any time hereafter become dangerous and present a hazard may at any time or place be unloaded, destroyed or rendered harmless without compensation, and if the Customer has not given notice of their nature to the Company under Sub-clause (A) above, the Company shall be under no liability to make any general average contribution in respect of such goods.

26. (A) Except under special arrangements the Company will not accept or deal with bank notes, bonds, negotiable instruments or securities of any kind, bullion, coin, precious stones, jewellery, valuables, antiques, pictures, human remains, livestock or plants. Should any Customer nevertheless deliver any such goods to the Company or cause the Company to handle or deal with any such goods otherwise than under special arrangements the Company shall be under no liability whatsoever for or in connection with such goods howsoever arising.

(B) The Company may at any time waive its rights and exemptions from liability under Sub-clause (A) above in respect of any one or more of the categories of goods mentioned herein or of any part of any category. If such waiver is not in writing, the onus of proving such waiver shall be on the Customer

COMPANY AS AN AGENT

27. Clauses 28 to 30 below inclusive apply where and to the extent that the Company in accordance with these conditions is acting as agent on behalf of the Customer.

28. The Company shall be entitled and the Customer hereby expressly authorizes the Company, except insofar as has been otherwise specifically agreed between the Company and the Customer, to enter into contracts on behalf of the Customer,

(i) for the carriage of goods by any route or means or person;

(ii) for the storage, packing, trans-shipment, loading, unloading or handling of the goods by any person or



at any place, and for any length of time,

(iii) for the carriage or storage of goods in or on transport units or with other goods of whatever nature; and

(iv) to do such acts as may in the opinion of the Company be reasonably necessary in the performance of its obligations in the interests of the Customer.

29. The Company shall be entitled to perform any of its obligations herein by itself or by its parent, subsidiary or associated companies or by any other person, firm or company. In the absence of agreement to the contrary any contract to which these Conditions apply is made by the Company on its own behalf and also as agent for and on behalf of any such parent, subsidiary or associated company, and any such company shall be entitled to the benefit of these conditions.

30. Where there is a choice of rates according to the extent or degree of the liability assumed by carriers, warehouseman or others, no declaration of value where optional will be made except under special arrangements; nor shall the Company be under any liability to the Customer by reason of having entered into any contract on behalf of the Customer whereby the extent or degree of the liability assumed by a carrier, warehouseman or other party is in any respect excluded or limited save where such contract is entered into contrary to specific instructions given by the Customer and accepted by the Company.

COMPANY CONTRACTING AS PRINCIPAL

31. Clauses 32 to 33 inclusive apply where and to the extent that the Company in accordance with these Conditions is contracting as principal, save and except where an "FBL" is issued pursuant to Clause 3 (C).

32. The Company is not a common carrier and deals on the basis of these Conditions alone. The Company reserves to itself a reasonable liberty as to the means, route and procedure to be followed in the handling, storage and transportation of goods.

33. (A) When and to the extent that the Company has contracted as principal for the performance of any services, the Company undertakes to perform and/or in its own name to procure the performance of those services, and subject always to the totality of these conditions accepts liability for loss of or damage to goods taken into its charge occurring between the time when the Company takes the goods into its charge and the time when the Company is entitled to call upon the Customer, consignee or owner to take delivery of the goods.

(B) The Company shall be deemed to have taken the goods into its charge when they have been received by the Company or have been released or handed over by the Customer or any person acting on behalf of the Customer to any person acting on behalf of the Company in accordance with any directions of the Company for the performance of the Customer's instructions.

LIMITATIONS OF LIABILITY

34. (A) (i) the Company shall be liable for loss of or damage to the goods occurring between the time when the Company takes the goods into its charge and the time of delivery.

(ii) the Company shall, however, be relieved of liability for any loss or damage if such loss or damage was caused by: (a) an act or omission of the Customer, owner, or person acting on their behalf, other than the Company;

(b) insufficiency or defective condition of the packaging or marks and/or numbers, save where the Company has undertaken to carry out the packing, application of marks or labeling or numbering of the goods;



(c) handling, loading, stowage or unloading of the goods by the Customer, owner or any person acting on their behalf:

(d) inherent vice of the goods;

(e) strike, lockout, stoppage or restraint of labour, the consequences of which the Company could not avoid by the exercise of reasonable diligence;

(f) any cause or event which the Company could not avoid the consequences where of they could not prevent by the exercise of reasonable diligence;

(g) a nuclear incident if the operator of a nuclear installation or a person acting for him is liable for this damage under an applicable international convention or national law governing liability in respect of nuclear energy.

(iii) the burden of proving that the loss or damage was due to one or more of the above causes or events shall rest upon the Company.

(B) In any case where, in accordance with these conditions, the Company is liable to pay compensation in respect of loss or damage to goods, and it is known where such loss or damage occurred, the extent and the amount of the liability in respect of such loss or damage shall be determined by the provisions contained in any applicable convention or law, which provisions

(i) cannot be departed from by private contract to the detriment of the claimant; and

(ii) would have applied if the claimant had made a separate and direct contract with the actual provider of the particular service in respect of that service or that part of any operation where the loss or damage occurred and had received as evidence thereof any particular document which must be issued in order to make such convention or law applicable.

35. (A) When the Company is liable for compensation in respect of loss of or damage to the goods, such compensation shall be calculated by reference to the value of such goods at the place and time they are delivered to the Consignee in accordance with the contract or should have been so delivered.

(B) The value of the goods shall be fixed according to the current commodity exchange price, or if there be no such price, according to the current market price, or, if there be no commodity exchange price or current market price, by reference to the normal value of goods of the same kind and quality.

(C) Compensation shall not, however, exceed 2 SDR (SDR = Special Drawing Right) units per kilo of gross weight of the goods lost or damaged. Under special arrangements, the Company may accept liability in excess of the limits set out in Sub-clause (A) and (B) above upon the Customer agreeing to pay the Company's additional charges for accepting such increased liability. Details of the Company's additional charges will be provided upon request.

(D) (i) in no circumstances whatsoever shall the Company be liable to the Customer or owner for consequential loss or loss of market however caused.

(ii) without prejudice to any other conditions herein or other defences which may be open to the Company, in no circumstances whatsoever shall the Company be liable to the Customer or owner for delay or deviation however caused in a sum in excess of twice the Company's own charges in respect to the relevant transaction.

In the case of all other claims;

(a) the value of the goods the subject of the relevant transaction between the Company and the Customer, or



(b) a sum at the rate of two SDR's per kilo of gross weight of the goods the subject of the said transaction, or

(c) 75,000 SDR's in respect of any one transaction whichever shall be the least.

WARSAW CONVENTION

36. If the Company acts as principal in respect of a carriage of goods by air. the following notice is hereby given:

if the carriage involves an ultimate destination or stop in a country other than the country of departure, the Warsaw Convention may be applicable and the Convention governs and in most cases limits the liability of carriers in respect of loss of or damage to cargo. Agreed stopping places are those places (other than the places of departure and destination) shown under requested routing and/or those places shown in carriers' timetables as scheduled stopping places for the route. The address of the first carrier is the airport of departure.

MISCELLANEOUS

37. 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.

38. Despite the acceptance by the Company of instructions to collect freight, duties, charges or other expenses from the Consignee or any other person the Customer shall remain responsible for such freight duties, charges or expenses on receipt of evidence of proper demand and in the absence of evidence of payment (for whatever reason) by such Consignee or other person when due.

39. All goods (and documents relating to goods) shall be subject to a particular and general lien and right of detention for monies due either in respect of such goods or for any particular or general balance or other monies due from the Customer or the Sender, consignee or owner to the Company. If any monies due the Company are not paid within one calendar month after notice has been given to the person from whom the monies are due that such goods are being detained, they may be sold by auction or otherwise at the sole discretion of the Company and at the expense of such person, and the net proceeds applied in or towards satisfaction of such indebtedness and the Company will not be liable for any deficiencies or reduction in value received on the sale of the goods nor, will the Customer be relieved from the liability merely because the goods have been sold.

40. The Company shall be entitled to retain and be paid all brokerages, commissions, allowances and other remunerations as is customary in the trade.

JURISDICTION AND LAW

41. 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 Courts of that Province.

Adopted May, 1986

Amended May, 1988

Amended May, 1998