

Grace Road Lines Ltd

SERVICE TERMS AND CONDITIONS (CANADA AND U.S.A.)

1. Grace Road Lines Ltd. ("Carrier") is licensed in the United States of America as a motor carrier and property broker under MC-608904, USDOT-1654886, and in Canada as required by applicable law.
2. The following Service Terms and Conditions shall govern all transportation services offered by Carrier for its customers (the reference to "customer" or "customers" herein meaning Carrier's direct customer, and/or the owner, consignee or any person or entity claiming legal or beneficial interest in goods for whom Carrier agrees to provide the services herein, hereafter "Customer"), except to the extent that such services are governed by an executed written agreement between the Carrier and Customer that directly conflicts with the terms set forth herein. The identity of Carrier as providing the services for a Customer will be confirmed by the bill of lading for carriage issued at an origin point. By accepting Carrier's Service Quotation, Customer accepts all terms set forth herein. Customer is deemed to have accepted Carrier's Service Quotation in its tender of cargo to Carrier for carriage. These Service Terms and Conditions shall prevail over terms appearing on any Bill of Lading or other forms used by the parties for the delivery of cargo, to the extent of any conflicts or inconsistencies.
3. Carrier's liability for cargo loss or damage arising from services that involve an origin point in the United States shall be governed by 49 U.S.C 14706 (the "Carmack Amendment"), including the common law defenses and exceptions to liability applicable thereto, and 49 C.F.R Part 370. In the event of the foregoing, subject to articles 5 and 6 below, Carrier's liability for cargo loss or damage is limited to a maximum of USD \$100,000 per shipment. In the event of any conflict between these Service Terms and Conditions and the said applicable laws, the former will govern to the extent of any such inconsistency as permitted by law. Any dispute or suit arising from the performance or non-performance of the services contemplated in this paragraph shall be brought in the Province of Alberta, Canada, which shall have sole or exclusive jurisdiction over same.
4. Carrier's liability for cargo loss or damage arising from services that involve an origin point in Canada shall be governed by the prescribed "uniform bill of lading" or similar deemed contract of carriage terms and conditions in effect in the province of origin, or where there be no such legislation, in accordance with applicable common law. In any event of the foregoing, subject to article 5 below, Carrier's liability for cargo loss or damage will be limited to the lesser of: i) \$2.00 per pound based on the weight of the shipment actually lost or damaged, or ii) the value of cargo determined pursuant to clause 6 below. In the event of any conflict between these Service Terms and Conditions and the said laws the former will govern, to the extent of any such inconsistency as permitted by law. Any dispute or suit arising from the performance or non-performance of the services contemplated herein shall be brought in the courts of Alberta, which shall have sole or exclusive jurisdiction over same.
5. Customer may opt to purchase an increased level of Carrier liability than otherwise deemed applicable at Articles 3 and 4 above. Should Customer wish to exercise this option it must, prior to the tender of a shipment for carriage: i) provide a written request to Carrier, ii) secure the written agreement by an authorized representative of Carrier, and iii) agree, in writing, to pay any applicable charges to Carrier.
6. Without prejudice to any of the foregoing, for purposes of assessing Carrier's liability for cargo loss or damage, the valuation of a shipment will be the lower of Customer's actual manufacturing cost or acquisition cost to replace the lost or damaged cargo at its' pre-loss condition less salvage value.

7. In no event shall Carrier be liable to Customer for consequential, special or indirect losses or damages whether for delay or otherwise, or for damages of an incidental, exemplary or punitive nature including but not limited to loss of use, market, goodwill or profits which arise from the performance or nonperformance of the services contemplated herein. Except as may be expressly agreed to in writing by Carrier with respect to a specific shipment, Carrier shall not be liable for any failure to deliver a shipment by a specified time.
8. If Carrier is prevented or delayed from performing any of its obligations hereunder by reason of any act of God, strike, threat of imminent strike, walkout, labor disruptions, floods, hurricanes, tornadoes, earthquakes, unusually severe weather or natural disasters, war, insurrection or riots, acts of terrorism, acts of public enemy, closure of transportation networks, requirement or regulation of government, unavoidable casualty, collision or upset or other reason, whether similar or dissimilar to the foregoing, beyond its reasonable control and in any such event, such failure to perform shall not be deemed a breach of Carrier's service obligations to Customer, and Carrier shall not be liable for damages caused by such events. In such event the performance of any of Carrier's obligations be so prevented or delayed they shall be suspended during such period of disability, and it shall use reasonable diligence to remove such causes of disability as may occur from time to time.
9. (i) For cargo loss and damage claims governed by Canadian law, Carrier shall not be liable for any claims not presented to it, in writing, within 60 days after the delivery of the goods, or, in the case of failure to make delivery, within nine (9) months from the shipment date. Such notice must set out the particulars of the origin, destination and date of shipment of the goods and the estimated amount claimed in respect of such loss or damage. The final statement of the claim must be filed within nine (9) months from the date of shipment together with a copy of the paid freight bill. No suit to recover any claim or demand under these Service Terms and Conditions may be brought against Carrier unless such suit is filed in a court of competent jurisdiction within 2 years from the date of loss or incident giving rise to such claim.
(ii) For cargo loss and damage claims governed by United States law, Carrier shall not be liable for any claims not presented to it, in writing, within 9 months of the date of delivery or, in the case of non-delivery, within 9 months of a reasonable time for delivery. No suit to recover any claim or demand under these Service Terms and Conditions may be brought against Carrier unless such suit is filed in a court of competent jurisdiction within 2 years and 1 day from the date upon which Carrier declines the claim or any portion thereof.
(iii) Claims for concealed cargo damage must be reported within 48 hours after delivery and Customer must retain all packaging and materials for Carrier's inspection.
(iv) In no event shall Carrier be liable to Customer or anyone else for loss, damage or delay to cargo caused by: (a) an act or default of the shipper, owner or consignee, or (b) freezing or spoilage of any perishable goods or property or natural shrinkage.
(v) If Shipper/Customer loads and seals the cargo in or on the trailer and Carrier does not have the opportunity to inspect or count the cargo being loaded, and the seal is intact upon delivery, Carrier shall be absolved from any liability for shortages or damage to the cargo except when proximately caused by independent action of the Carrier. Such absolution of liability will also occur if: (a) the seal is broken at the direction and under the supervision of a government authority, or (b) trailers are pre-loaded and the adequacy of loading and count of the cargo on such trailer is not practical by a representative of Carrier. Carrier agrees that if a seal is broken and an inspection made by a government agent, its operator or other representative will take reasonable steps to secure the count, safety and integrity of the cargo, including requesting that the agent reseal the trailer and/or make

appropriate notation on the freight documentation. In addition, Carrier may break the seal on a trailer if, upon Carrier's reasonable determination or that of its operator or other representative, it becomes reasonably necessary to do so to inspect, reposition, or protect the cargo or Carrier's equipment or to comply with federal, state, municipal, or provincial laws, rules and regulations.

10. Payment for Services: Customer agrees to be unconditionally liable for all charges, fees and costs any authorized person incurs on Customer's account net 30 days from date of Carrier's invoice, without offset for any disputes or claims, including freight claims, overcharges, duplicate payments, and or disputed invoices. At Carrier's sole discretion, late charges of 2% compounded monthly may be imposed commencing on the 31st day after the date of the Carrier's invoice, until paid. Customer must pay each invoice in full and may not withhold any sums due under one invoice for disputes or claims arising under another invoice.
11. Customer shall defend, indemnify and hold Carrier and its employees and agents harmless from and against all claims, liabilities, losses, damages, fines, penalties, payments, costs and expenses (including reasonable legal fees) to the extent caused by or resulting from: (i) the negligence or intentional misconduct of Customer, its shippers, consignees or agents, or (ii) the violation of applicable laws or regulations by Customer or its employees or agents.
12. Customer warrants that it tenders transit-worthy cargo properly packaged for the intended carriage, has notified Carrier in writing of applicable laws, regulations and instructions governing the cargo, and that the tender is in full compliance with declaration, marking, and all requirements of the respective U.S. and Canadian Customs Services, the U.S. Food and Drug Administration and Health Canada, and any other statutes, rules, and regulations of any Federal, state, provincial, and/or local authorities applicable to Customer's goods including without limitation the offering for transport of Hazardous Materials and/or Dangerous Goods. **Customer shall defend, indemnify, and hold Carrier harmless from any penalties or liability of any kind, including reasonable attorney fees, arising out of Customer's or its shippers' failure to comply with applicable Hazardous Materials or Dangerous Goods laws and regulations.**