

GARNER ENTERPRISES STANDARD TERMS AND CONDITIONS OF SERVICE CANADA, UNITED STATES, AND INTERNATIONAL FREIGHT FORWARDING

1. Definitions

- a. "Charges" shall mean all and any monies of whatever nature payable by the Client to the Company;
- b. "Client" shall mean the person at whose request or on whose behalf the Company undertakes any business or provides any service, as well as the Client's agents and/or representatives, including, but not limited to, shippers, importers, exporters, carriers, secured parties, warehousemen, buyers and/or sellers, shipper's agents, insurers and underwriters, break-bulk agents, consignees, etc. It is the responsibility of the Client to provide notice and copy(s) of these Standard Terms and Conditions of Service to all such agents or representatives;
- c. "Company" shall mean Garner Enterprises (GARNER), its subsidiaries, related companies, agents and/or representatives.
- d. "Consignee" shall mean the person to whom the Goods are to be delivered;
- e. "Documentation" shall mean all information received directly or indirectly from Client, whether in paper or electronic form;
- f. "Goods" shall mean any goods (including the packaging thereof) in relation to which the Company provides the Services;





- g. "Ocean Transportation Intermediaries" ("OTI") shall include an "ocean freight forwarder" and a "non-vessel operating carrier";
- h. "Person" shall mean any person, whether a natural person, body corporate, partnership, limited liability partnership, unincorporated association, similar undertaking or otherwise;
- i. "Third parties" shall include, but not be limited to, the following: carriers, truckmen, cartmen, lightermen, forwarders, OTIs, customs brokers, agents, warehousemen and others which the goods are entrusted for transportation, cartage, handling and/or delivery and/or storage or otherwise;
- j. "Services" shall mean any services provided by the Company to the Client at the Client's request whether such Services be gratuitous or not.

2. Application

- a. All business conducted by Garner Enterprises ("GARNER") is accepted and handled subject to these Standard Terms and Conditions of Service (the "conditions"). These conditions constitute a legally binding contract between GARNER and the "Client" for the provision of freight forwarding services by GARNER to the Client. In the event GARNER renders any other services and issues a document(s) containing Terms and Conditions governing such services, the Terms and Conditions set forth in such other documents(s) shall govern those services.
- b. GARNER's advice is for the Client only and is not to be furnished to any other party without Garner's prior written consent. Gratuitous advice and information that is not related to instructions accepted by GARNER is provided without liability of any kind, including for negligence.
- c. These conditions also apply whenever any claim is made against any employee, agent, or independent contractor engaged by GARNER to perform transport or related services





for the Client's goods, whether such claims are founded in contract or in tort, and the aggregate liability of GARNER and all such persons shall not exceed the limitations on liability in these conditions. For purposes of this clause, GARNER acts as agent for all such persons who may ratify such agency at any subsequent time.

- d. If the Services provided are subject to any compulsorily applicable legislation, regulations or directives, these conditions shall, in relation to such Services, be read subject to such legislation, regulations or directives. Nothing in these conditions should be construed as surrender by GARNER of any of its rights or immunities or as an increase of any of its responsibilities or liabilities under any compulsorily applicable legislation, regulations or directives.
- e. Insofar as any clause or sub-clause of these conditions is held by a Court to be contrary to any compulsorily applicable legislation, regulation or directive or otherwise judged by a Court to be unlawful, void or unenforceable such clause or sub-clause shall, to the extent necessary, be severed from these conditions and rendered ineffective as far as possible without modifying or otherwise affecting the remaining provisions of these conditions. In the event any Paragraph(s) and/or portion(s) hereof is found to invalid or unenforceable, then in such event the remainder hereof shall remain in full force and effect. GARNER's decision(s) to waive any provision herein, either by conduct or otherwise, shall not be deemed to be a further or continuing waiver of such provision or to otherwise waive or invalidate any provision herein.
- f. Where GARNER issues a house bill of lading, the terms of that house bill of lading apply to the carriage of the goods. The house bill of lading terms issued by GARNER shall have precedence to, and supersede, these conditions in the case of any conflict.

3. Quotations

Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the GARNER to the Client are for informational purposes only and are subject to change without notice. No quotation shall be binding upon GARNER unless GARNER in writing agrees to





undertake the handling or transportation of the shipment at a specific rate or amount set forth in the quotation and payment arrangements are agreed to between GARNER and the Client. Unless otherwise provided in the quotation GARNER may, after acceptance, revise quotations or charges upon notice in the event of changes beyond GARNER's control, including changes in exchange rates, rate of freight, carrier surcharges, or any charges applicable to the goods.

- 4. GARNER's Responsibilities and Undertakings
 - a. GARNER acts as agent on behalf of the Client, except:
 - i. where it issues a transport document or electronic record evidencing its obligation for the delivery of the goods, or
 - ii. to the extent it physically handles goods by its own employees and equipment in the course of performing any service and the Goods are in the actual custody and control of GARNER, in which case it acts as principle, or
 - iii. to the extent GARNER expressly agrees in writing to act as principal.
 - b. Without prejudice to the generality of clause 4a:
 - i. the charging by GARNER of a fixed price for a service or services of whatsoever nature shall not in itself determine or be evidence that GARNER is acting as an agent or principal in respect to such service or services.
 - ii. the supplying by GARNER of its own or leased equipment shall not in itself determine or be evidence that GARNER is acting as an agent or a principal in respect of any carriage, handling or storage of goods.
 - c. Insofar as GARNER procures any Services as agent, GARNER shall, on demand by the Client, provide evidence of any contract entered into as agent for the Client.





- d. When GARNER acts as agent on behalf of the Client, GARNER shall be entitled (and the Client hereby expressly authorizes GARNER) to enter into all such contracts on behalf of the Client as may be necessary or desirable to fulfill the Client's instructions. The Client authorizes GARNER to enter into such contracts subject to the trading conditions of the person from whom the Services are to be provided.
- e. GARNER shall have full liberty to subcontract all or any part of the Services on any terms whatsoever.
- f. GARNER shall, in its absolute discretion, decide on the means, route and method by which the Services are to be performed.
- g. Without prejudice to Clause 4f above, GARNER shall be entitled to:
 - i. load or carry the Goods aboard any vessel, whether named in any bill of lading or other documents or not; or
 - ii. tranship, cross pump or otherwise transfer the Goods to a different conveyance, container, tank or different mode of conveyance or storage at any time during the Services; or
 - iii. at any time during the performance of the Services, unpack, remove and store any Goods which have been loaded in or on a trailer, container, pallet or similar transport unit.
- h. GARNER shall be entitled to retain and be paid all brokerages, commissions, allowances and other remunerations customarily retained by or paid to freight forwarders.
- i. GARNER shall perform its duties with a reasonable degree of care, including in the selection and instruction of third parties that provide any services to the Client.





- j. GARNER shall arrange transport and any related services within a reasonable time after receiving the Client's instructions. Except under special arrangements, which shall be in writing and must be agreed to beforehand by GARNER, GARNER accepts no responsibility for delay or for departure or arrival dates. For purposes of these conditions, special arrangement include, but are not limited to:
 - i. arrange for the departure or arrival of goods before specific dates;
 - ii. arrange for goods to be carried, stored, or handled separately from other goods;
 - iii. arrange for transport of goods that may taint or affect other goods, or may harbor or encourage vermin or pests;
 - iv. make a declaration or value or special interest in delivery to any carrier or terminal;
 - v. direct carriers or delivery agents to hold goods until payment of any amount or until surrender of a document;
 - vi. arrange for the transport of goods of unusual high value, luxury goods, currency, negotiable instruments or securities of any kind, precious metals or stones; antiques or art; human remains, livestock or plants, or any comparable cargos.
- k. GARNER shall be permitted to depart from the Client's instructions, including rerouting of the goods, where reasonably required without prior authorization from the Client, and, as soon as possible, inform the Client of its actions and any additional charges resulting therefrom.
- 5. Client's Responsibilities and Undertakings
 - a. The Client shall be deemed to be competent and to have reasonable knowledge of matters affecting the conduct of it business, including terms of purchase and sale, the





need for insurance and the extent of coverage available for the types of goods being tendered for shipment, the need to preserve and retain documentation, 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 matters relating hereto.

- b. The Client expressly authorizes GARNER to enter into contracts on behalf of the Client for the carriage, storage, packing, handling or customs clearance of the goods by any person, or at any place, and for any length of time.
- c. The Client warrants that the description and particulars of goods furnished to GARNER are accurate and complete.
- d. The Client undertakes to advise and warn GARNER if the goods are liable to taint or affect other goods.
- e. The Client warrants that the goods have been properly and sufficiently packed, labeled, prepared, and marked for the intended mode, method, route and time of transportation. It is the responsibility of the Client to know and comply with the marking requirements of relevant government agencies including, but not limited to, US Customs and Border Protection, the US Food and Drug Administration and all other requirements, including regulations of federal, state/provincial, and local agencies pertaining to the merchandise. GARNER shall not be responsible for action taken or fines or penalties assessed by any governmental agency against the shipment because of the failure of the Client to comply with the law or the requirements or regulations of any governmental agency or with notification issued to the Client by any such agency.
- f. The Client warrants that where the Goods are supplied already loaded in a container, trailer or other transport unit, the Goods are properly loaded and stowed and appropriately secured therein (which securing shall include, but not be limited to, the proper use of dunnaging, airbags, straps and webbing) and the container, trailer or





other transport unit is in sound condition and suitable for the carriage of the Goods to the intended destination.

- g. The Client warrants that where the Goods are stowed on pallets, the pallets are in good order and suitable for the carriage of the Goods to the intended destinations and the Goods are adequately and properly stowed thereon.
- h. The Client warrants that it has obtained all necessary permits, licenses or other permissions or documents required of the Client necessary for the intended carriage of the Goods.
- i. The Client warrants that the Goods do not include contraband, drugs, other illegal substances or stowaways.
- j. The Client warrants that if the Goods are to be carried or stored in temperature controlled conditions:
 - the Client shall provide GARNER with written notice of the nature of the Goods and the temperature range within which the Goods are to be carried or stored at the time of requesting the Services; and
 - ii. the Goods will be handed over by or on behalf of the Client at the appropriate temperature.
- k. Insofar as the container, trailer or other transport unit is supplied by the Client, the Client warrants that:
 - i. it is in good working condition and will remain so throughout the provision of the Services; and
 - ii. it is suitable for the intended carriage and or storage; and





- iii. where the Goods have been loaded by the Client, they have been loaded in such a way as to ensure the proper functioning of the container, trailer or transport unit; and
- iv. it has been properly pre-cooled or pre-heated (as appropriate) before loading the Goods; and
- v. the thermostatic controls have been properly set.
- I. Where GARNER is instructed to provide a container, in the absence of a written request to the contrary accepted by GARNER, GARNER is not obliged to provide a container of any particular type or quality.
- m. The Client warrants that the goods are not dangerous, hazardous, radioactive or of a damaging nature, as defined in any legislation.
- n. The Client warrants that the goods are not bullion, coin, precious stones, jewelry, valuables, antiques, pictures, human remains, livestock, bank notes, bonds, negotiable instruments, securities or plants. Such goods shall only be offered to GARNER for transportation under special written arrangement. Should the Client cause GARNER to handle or deal with such goods otherwise than under a prior written agreement, GARNER shall have no liability whatsoever for any loss or damage suffered by or in relation to the Goods, howsoever caused.
- o. If the Goods are dangerous or may become dangerous during the performance of the Services, the Client shall:
 - i. advise GARNER in writing before the commencement of the Services of the exact nature of the Goods and of the danger and, if appropriate, any precautions to be taken by GARNER in the performance of the Services to ensure that the Goods do not cause harm to any person, property or the environment; and





- ii. ensure that the Goods, their packaging and any container, trailer, or other equipment within which or upon which they are carried is clearly marked and labelled and that such marking and labelling and any packaging is in accordance with any applicable local law or regulations; and
- iii. comply with any legislation, conventions or regulations relating to the carriage of such goods or such other Services as are to be performed.
- p. Unless notice is given by the Client in accordance with clause 50 above, the Client warrants that it will not tender for carriage or other Services any Goods which are or might become dangerous or damaging to either themselves, Goods, property, any person or the environment.
- q. If, in GARNER's reasonable opinion, the Client has or may have breached clauses 5m-o above or the Goods may otherwise pose a risk to health, property or the environment:
 - GARNER may without notice, at the expense and risk of the Client and without liability to the Client destroy, dispose of, abandon, render harmless or otherwise deal with the Goods in any way in which the Client, in its absolute discretion considers appropriate;
 - ii. The Client shall indemnify GARNER from all and any claims, actions, indemnities, liabilities, expenses, losses, damages, costs, penalties or fines arising from or in relation to the Goods, the Services and GARNER acting in accordance with clause 5m-q above.

6. Client's Duties Toward GARNER

a. The Client agrees not to make any claim against any director, agent or employee of GARNER in connection with any Services provided by the Client.





- b. The Client shall save harmless and keep GARNER indemnified from and against all liability, loss, damage, costs and expenses incurred by GARNER (including, but not limited to, claims, indemnities, demands, proceedings, fines, penalties and damages) arising out of:
 - GARNER acting in accordance with the Client's instructions whether or not caused or contributed to directly or indirectly by any act, omission, neglect or default on the part of GARNER and/or its employees or agents;
 - ii. any act, omission or default on the part of the Client or any breach by the Client of any of the warranties or terms of these conditions;
 - iii. any claims for general average made against GARNER in relation to the Goods. The Client agrees to provide security for any general average claims to GARNER or any other party designated by GARNER, both promptly and in a form acceptable to GARNER; and
 - iv. All loss, damage or delay caused by the failure to disclose that the goods are dangerous, hazardous or of a damaging nature as described in clauses 5m-q above.
- c. The Client shall save harmless and keep GARNER indemnified from and against all claims, indemnities, liabilities, costs and demands whatsoever, howsoever arising and by whomsoever made or preferred, in excess of the liability of GARNER under these conditions.
- d. The Client acknowledges that GARNER will enter into contracts with sub-contractors and other third parties for the purposes of performing the Services. The Client agrees to indemnify GARNER for any claims, actions, indemnities, liabilities, expenses, damages, costs, claims for equipment demurrage, vehicle detention, quay rent or other losses arising from or in relation to such contracts unless it can be shown that these were caused solely by reason of the GARNER's act, omission or default.





e. The Client shall save harmless and keep GARNER indemnified from and against all claims, demands and actions whatsoever brought or made against GARNER for duty or any other tax, including, but not limited to, sales tax or value added tax or similar tax or levy imposed upon the Goods or imposed by reason of the carriage or loss thereof, by any government, governmental or quasi governmental organization including any claim or demand made against any bond or security provided by GARNER in relation thereto.

7. Notice

- a. Any claim by the Client against GARNER where loss or damage to the Goods is reasonably apparent upon delivery, the Consignee or the Client shall notify Garner of the loss or damage in writing at the time of delivery. Such notice shall set out particulars of the origin, destination, date of shipment and nature of the goods and the estimated amount claimed.
- b. Where loss or damage to the Goods is not reasonably apparent upon delivery, the Consignee or the Client shall notify GARNER of the loss or damage in writing as soon as events which may give rise to a claim are known to the Client and in any event the lesser of:
 - i. no later than the applicable legislation to the mode of carriage involved; or
 - ii. within seven (7) days of the loss and/or damage to the goods or the date when the goods should have been delivered or from the date when the event giving rise to a claim arose.
- c. Where neither the Consignee nor the Client notify GARNER of any loss or damage the fact of the Consignee or Client taking delivery shall be prima facie evidence that it has received the Goods in good order and condition and as described in any consignment note accompanying the Goods.





- d. Any claim must be notified to GARNER within fourteen (14) days of the date upon which the Client became, or ought reasonably to have become, aware of any event or occurrence alleged to give rise to the claim.
- e. If any claim is not notified to GARNER in accordance with clauses 7a-d above, such claim shall be waived and absolutely barred unless the Client can prove that it was impossible for the Client to comply with the time limit in clauses 7a-d above and that the Client made the claim as soon as it was reasonably possible for it to do so.
- f. GARNER shall, in any event, be discharged from all liability whatsoever and howsoever arising unless suit is bought and written notice thereof is given to GARNER within nine (9) months from:
 - the date of the event or occurrence alleged to give rise to the cause of action against GARNER; or
 - where the date of the aforementioned event or occurrence cannot be ascertained, the date of delivery or, where no delivery occurs, the intended date of delivery of the Goods; or
 - iii. where the Services do not require the delivery of Goods and no date of event or occurrence can be ascertained under clauses 7a-d above, the completion of the Services.
- g. If applicable mandatory legislation provides for a longer period, this clause is modified to reflect such mandatory legislation.

8. Insurance

GARNER is not an insurer of the goods or services. GARNER shall not, except under special arrangement, effect insurance for the goods or services provided. Where the Client requests GARNER to obtain insurance, GARNER will do so as agent for the Client. Such a request for





insurance must be in writing. Even where insurance is obtained these conditions shall apply to the relationship between GARNER and the Client.

9. Liability of GARNER

- a. GARNER shall, subject to these conditions, be liable for the Client's direct losses arising from a breach of GARNER's obligations under its agreement with the Client.
- b. GARNER shall not be liable for any loss, damage or claims arising from or in relation to:
 - i. an act of God;
 - consequences of war, invasion, act of foreign enemy, hostilities, civil war, riots, rebellion, insurrection, military or usurped power or confiscation, requisition or destruction of or damage to property by or under the order of any government or public or local authority;
 - iii. seizure or forfeiture under legal process;
 - iv. breach by the Client of a warranty or other obligation provided by the terms of these conditions;
 - v. any other error, act or omission, misstatement or misrepresentation by the Client or other owner of the Goods or by servants or agents of either of them;
 - vi. inherent liability to wastage in bulk or weight, latent defect or inherent defect, vice or natural deterioration of the Goods;
- vii. insufficient or improper packing, labelling, addressing or, where performed by the Client, owner of the Goods or servants or agents of either of them, insufficient or improper loading, stowage and securing;





- viii. strike, lockout, stoppage or restraint of labour from whatever cause;
- ix. the effects of extremes of temperature, humidity or other climatic conditions outside those reasonably to be expected during the ordinary course of the anticipated Services;
- x. the condition of any container, trailer or other equipment supplied by or on behalf of the Client;
- xi. any failure by the Client to inspect GARNER equipment upon loading of any Goods or report any problems or defects in the Garner equipment; and
- xii. any cause or event which GARNER is unable to avoid and the consequences of which GARNER is unable to prevent by the exercise of reasonable diligence.
- c. Where GARNER can demonstrate that the loss, damage or claim could be attributable to one of the causes in clause 9b above, it shall be presumed that the loss, damage or claim was so caused. However, the Client shall be entitled to prove that the loss, damage or claim was not so caused.
- d. Where GARNER can demonstrate that the loss, damage or claim arose from or in relation to the carriage of Goods by sea, GARNER shall not be liable for any loss, damage, claim or indemnity arising from or in relation to any of the exceptions in Article IV of the Hague Rules as amended by the Brussels Protocol 1968 (The Hague-Visby Rules). The provisions of this clause shall be in addition to and without prejudice to GARNER's right to rely on the exceptions and limitations within clause 9b above.
- e. Except under special arrangements agreed in writing by GARNER, GARNER gives no warranties or undertakings with regard to collection or delivery dates or times and is under no liability whatsoever for failure to adhere to any collection or delivery dates or times.





- f. GARNER shall not in any circumstances be liable for any mis-delivery, loss, damage or delay to the Goods whatsoever and howsoever arising which occurs whilst the Goods are outside the custody, control or care of the GARNER or those subcontractors, servants or agents employed by GARNER to perform the Services.
- g. GARNER shall not in any circumstances be liable for any consequential loss whatsoever, howsoever arising, including, but not limited to, loss of profits (whether direct or consequential), loss of goodwill, loss of market share, loss of future or anticipated sales, loss of production or factory "downtime", damages, costs and expenses incurred or payable by the Client to any third party or any other indirect or consequential loss.
- h. Any liability of GARNER arising from or in relation to a breach of the GARNER's obligations under its agreement with the Client, whether arising in contract, tort, bailment or otherwise, shall be subject to the terms of these conditions.

10. Limitation of Liability

- a. The liability of GARNER shall be the lesser of:
 - i. \$0.50 per pound multiplied by the number of pounds or fraction thereof, of each piece(s) of shipment which may have been lost, damaged or destroyed (but not less than \$50.00 per shipment);
 - ii. the declared value for carriage;
 - iii. the actual value of such piece(s) at the place of origin including the freight and other charges if paid;
 - iv. 2 SDR (SDR=Special Drawing Right) units per kilo of gross weight of the goods lost or damaged;





- v. the limitation of liability of the actual carrier in whose possession the goods were lost or damaged; or
- vi. the minimum liability as set out in the respective national laws that are found to be of compulsory application to the contract of carriage.

11. Non-Receipt of Goods

Where the Client, or the consignee does not take delivery of the goods at the time and place of delivery contracted for, GARNER shall be entitled to store the goods in a public or licensed warehouse at the expense of the Client or consignee, without liability on the part of GARNER and subject to a lien for all freight and other lawful charges, including a reasonable charge for storage. On twenty-one (21) days notice (or such mandatory period as provided by applicable legislation) in writing to the Client or the consignee GARNER shall be entitled to dispose of the goods (by sale or otherwise as may be reasonable).

12. Advancing Money

All charges must be paid by the Client in advance unless the Client agrees in writing to extend credit to the Client; the granting of credit to the Client in connection with a particular transaction shall not be considered a waiver of this provision by GARNER.

13. C.O.D. or Cash Collect Shipments

The Client shall use reasonable care regarding written instructions relating to "Cash/Collect" on "Deliver (C.O.D.)" shipments, ban drafts, cashier's and/or certified checks, letter(s) or credit and other similar payment documents and/or instructions regarding collection of monies but shall not have liability if the bank or consignee refuses to pay for the shipment.

14. Moneys Due and Liens



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- a. The Client, the consignor, and the consignee are jointly and severally liable for freight. The Client shall pay to GARNER 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. Despite the acceptance by the carrier or GARNER of instructions to collect freight, duties, charges or other expenses from the consignee or any other person the Client 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.
- c. 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 Client or the sender, consignee or owner to the actual carrier or GARNER. If any monies due the carrier or GARNER are not paid within thirty (30) days after notice has been given to the person from whom the monies are due and such goods are being detained, they may be sold by auction or otherwise at the sole discretion of the carrier or GARNER and at the expense of such person, and the net proceeds applied in or towards satisfaction of such indebtedness and the carrier or GARNER will not be liable for any deficiencies or reduction in value received on the sale of the goods nor, will the such be relieved from the liability for payment merely because the goods have been sold.

15. Costs of Collection

In any dispute where involving monies owed to GARNER, GARNER shall be entitled to all costs of collection, including reasonable attorney's fees and interest at fifteen percent (15%) per annum or the highest rate allowed by law, whichever is less, unless a lower amount is agreed to by GARNER.

16. Carrier Terms





GARNER is entitled to rely on the terms and conditions, including at law or by contract, imposed on or by any carrier which define and limit the obligations and liabilities of the forwarder where such terms are more favourable to GARNER than the terms and conditions specified herein and in so far as those terms are not inconsistent nor contravene any laws compulsorily applicable to the carriage or storage of the goods. The carrier terms and conditions are available for inspection from GARNER at its offices or upon written request and are deemed to be part of this contract.

17. No Modification or Amendment Unless Written

These terms and conditions of service may only be modified, altered or amended in writing signed by both the Client and GARNER; any attempt to unilaterally modify, alter or amend same shall be null and void.

18. Jurisdiction and Law

If the services provided to the Client by GARNER are performed in whole or in part in Canada, these conditions and any act or contract to which they apply shall be governed by the laws of Canada and where applicable, the Province of Ontario. Any dispute which arises out of these same conditions shall also be subject to the exclusive jurisdiction of only the Ontario and Canadian courts.

If the services provided to the Client by GARNER are performed in whole in the United States of America, these Conditions shall be governed by the laws of the United States and the State of Michigan, without giving consideration to the principals of conflict of law. By accepting the services provided under these conditions, the Client irrevocably consent to the jurisdiction of the United States District Court for the Eastern District of Michigan.

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