

**AIT WORLDWIDE LOGISTICS, INC.**  
**CANADA TERMS AND CONDITIONS OF CONTRACT OF CARRIAGE**

**1. Introduction**

AIT Worldwide Logistics, Inc. (AIT) is licensed as required by law and operates as a Freight Forwarder. In tendering shipment(s) for transportation to, from or within Canada, Customer agrees to be bound by these Terms and Conditions of Contract of Carriage; and indicates its understanding that the AIT waybill, bill of lading or other shipping document utilized is non-negotiable. No agent or employee of the parties may alter these Terms and Conditions, unless in writing and signed by both parties. **NOTE:** "Customer" in these Terms and Conditions means the party from whom the shipment is received, any party who requested the shipment be transported by AIT, any consignee, any party having an interest in the shipment, and any party who acts as an agent for any of the above.

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

The rights and obligations of AIT will be governed by the terms entered into by AIT for the Customer with such third party in addition to these Terms and Conditions, and in any event AIT is only liable to the same extent as the third party who performs the carriage or guaranteed service as may be limited by the conditions on which that party customarily offers its services. These Terms and Conditions shall supersede and prevail over any conflicting terms and conditions contained on any bill of lading, waybill, shipping document, shipping receipt, or other purported contract of transportation under which any shipper, carrier, person or entity undertakes to tender freight to AIT for transportation. The signature of an AIT employee or any of its agents on any such document shall be solely for the convenience of the party tendering such shipment and shall not constitute an acceptance by AIT or AIT's agent of any terms which vary from these Terms and Conditions.

Customer warrants and represents to AIT that the information set forth on the face of the AIT waybill, bill of lading(s) or other shipping document or the information supplied to AIT electronically regarding any shipment(s) is complete and accurate; and that each package and/or article in the shipment(s) is properly and completely described including correct weight and measurement, is adequately packaged to protect the enclosed goods from damage with ordinary care in handling, is properly classified, described, packaged, marked and labeled and is in proper condition for transportation according to applicable federal, state and provincial regulations including, without limitation, all regulations governing the transportation of hazardous materials, regardless of mode of transport. Customer's violation of any of these warranties will excuse AIT from any liability whatsoever for damage to any item(s) incurred as a result of such violation and shall also cause Customer to be liable to AIT for all

claims, fines, penalties, damages, costs or other sums, including reasonable attorneys' fees, incurred by AIT as a result of such violation.

## **2. Liability**

2.1 At time of delivery, the consignee must note on the delivery receipt any exceptions to the condition of the shipment or the shipping containers. Where otherwise liable under these Terms and Conditions AIT shall not be liable for concealed damage not noted on the delivery receipt and/or not consistent with visible signs of damage to the outside shipping container(s) unless Customer is able to prove that such loss or damage occurred while the shipment was in AIT's or its agent's possession. A clear delivery receipt shall be prima facie evidence of ordinary care in handling and receipt of the shipment(s) in good condition. Notations such as "subject to inspection or count" will not be considered evidence of damage or shortage.

2.2 Unless a higher value is declared at time of shipment and excess value charges of \$0.65 for each \$100.00 of declared value are paid, AIT's liability for loss or damage to any shipment or portion thereof is limited to the lesser of (A) for used products, \$0.10 per pound per piece lost or damaged with a minimum of \$10.00 per shipment; (B) for new products, \$2.00 per pound per piece lost or damaged with a minimum of \$50.00 per shipment; (C) the replacement value of an item of like kind and quality; (D) Customer's cost of the article or articles lost or damaged; or (E) repair cost in the event that a claimed item can be repaired. If a claimed item cannot be repaired, Customer shall provide, at its own expense, a third party assessment and/or technician report which details the extent of the damage and why an item is unable to be repaired. In the event that a higher value is declared and the excess value charge paid, AIT's liability shall be measured by repair cost if the claimed item can be repaired; and in no event shall AIT's liability be greater than the declared amount.

2.3 In the event AIT approves a damage claim for payment, AIT shall be entitled to possession of the portion of the shipment for salvage for which claim was made and payment approved. When the salvage is food products, AIT shall, however, have the option to determine whether it will take possession of the salvage or direct other disposition of the same. The failure to comply with this Section shall be a bar to recovery of any claim.

2.4 Articles and/or shipments with a declared value in excess of \$25,000 will not be accepted for transportation unless Customer makes advance arrangements therefore with AIT by notifying the local AIT office handling the shipment on behalf of Customer via electronic notification or email. In no event shall AIT's liability for aggregate losses at any one time at any one place exceed \$100,000 unless mutually agreed upon in writing by both parties prior to tender of the shipment(s).

2.5 Should AIT inadvertently accept for transportation (A) any article(s) as defined in Section 3.5 herein or (B) articles with a declared value in excess of \$25,000 as to which Customer has not secured AIT's prior approval as required in Section 2.4 above, AIT's liability for loss or damage thereto shall be

limited pursuant to the terms of Section 2.2 above for shipments on which no excess value has been declared.

2.6 It is agreed upon and understood that the C.O.D. amount of the shipment or any valuation of goods for the purposes of disclosure under the customs laws of any country stated on the face of any shipping document(s) or in any electronic communication does not constitute a declared value of the shipment.

2.7 Where Customer seeks to declare a value for a shipment consisting of more than one piece, it shall be Customer's responsibility to have a numbered label affixed to each such piece and then to declare a value correlating to each such number in the prescribed space provided on the face of the shipping document(s). Failing compliance with this requirement, AIT's liability for loss or damage to any part of such shipment shall be limited to the average declared value of the shipment times the number of the piece(s) lost or damaged.

2.8 Insurance can be purchased for shipments. The Customer must provide AIT instructions in writing to arrange insurance on its shipment(s) a reasonable time before the pick-up of goods for carriage. When so requested, AIT may place insurance for the Customer under its Open Cargo Policy, for a premium to be assessed to the Customer. AIT will provide a certificate of insurance upon the Customer's request. The coverage so placed on any shipment is subject to the terms and conditions of AIT's Open Cargo Policy. AIT will not be liable if for any reason the Customer is unable to recover a loss in whole or in part from the insurer under said Policy even though the premium charged by the insurer is different from AIT's charges to the Customer for the coverage. Should coverage under AIT's Open Cargo Policy not be sufficient for Customer's needs, Customer is encouraged to consult an insurance broker of its own choosing so as to purchase insurance elsewhere.

### **3. Liabilities Not Assumed**

3.1 AIT SHALL NOT BE LIABLE IN ANY EVENT FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, INCOME, INTEREST, UTILITY OR MARKET, WHETHER OR NOT AIT HAD KNOWLEDGE THAT SUCH DAMAGES MIGHT BE INCURRED.

3.2 Due to the inherent nature of the transportation business, AIT does not guarantee pick up, transportation or delivery by a special date or a special time, and shall not be liable for any claimed consequences of failure to do so.

3.3 AIT shall not be liable for loss, damage, delay or monetary losses of any type caused by: Acts of God; acts of public authorities acting with actual or apparent authority; strikes or labor disputes; weather; mechanical failures; aircraft failures; civil commotions or riots; acts or omissions of customs or quarantine officials; the nature of the freight or any defects thereof; acts of Queen's or public enemies; hazards incident to a state of war; acts of terrorism; or acts, defaults, or omissions of Customer including, but not limited to, improper packing, incorrect marking or incomplete or inaccurate shipping

instructions, or failure to observe these Terms and Conditions or the rules relating to freight not acceptable for transportation or freight acceptable only under certain conditions as set forth in Section 3.5 below.

3.4 AIT shall not be liable for loss or damage to exterior packaging or outside shipping containers.

3.5 AIT will not accept for transportation any shipment or commodity prohibited by law. In addition, the following items are not acceptable for carriage and will not be accepted by AIT: original works of art; antiques; bonds; coins of any kind, currency and currency equivalents; furs and fur clothing; gems and stones (cut or uncut); industrial diamonds; gold or silver jewelry (other than costume jewelry); pearls; precious metals; negotiable securities; time sensitive written materials (such as contract bids and proposals); software licenses; electronic data (i.e., data stored on computers, discs, credit cards, etc.); household goods and personal effects; one-of-a-kind articles, models or prototypes; valuable rugs (i.e., oriental rugs or Persian rugs); original prints and lithographs; bagged goods; cement; fertilizer; fishmeal; bulk commodities; fresh fruits; fresh vegetables; live animals; live plants; human remains of any kind; nuclear fuels; confectionery chocolates; ceramics; pottery; porcelain; marble; granite; china; glassware; fluorescent tubes; neon lighting; neon signs; x-ray tubes; glass mirrors; windows; glass or other inherently fragile items and such other articles as may be specifically advised by AIT to the Customer in advance of the tender of any shipment(s) for carriage. Except as otherwise provided in these Terms and Conditions, no employee or agent of AIT has any authority to accept such articles for transportation or to waive the limitations contained herein.

3.6 AIT agrees to move a shipment of used product under the following conditions: AIT shall not be liable for any concealed loss and/or damage not noted on the delivery receipt at the time of delivery. AIT shall not be liable for any electrical and/or mechanical derangement, rust, oxidation, discoloration, or cosmetic damage of any kind to the used product shipped. Shipment must be properly packaged and/or crated in order to withstand ordinary care in handling during transit.

#### **4. Claims Process**

4.1 Save as otherwise provided in this Section, AIT will not be liable for any claims for loss or damage unless notice of the loss or damage setting out particulars of the origin, destination and date of the shipment and the estimated amount claimed in respect of such loss or damage is given in writing to AIT as prescribed at Section 4.5 below:

- a) in the case of loss and/or damage to goods within 7 days of the completion of transit;
- b) in the case of delay in delivery or non-delivery within 14 days of the date that the goods should have been delivered;
- c) notwithstanding the foregoing provisions at 4.1(a) and (b), in the case of the carriage of perishables AIT will not be liable for any claims for loss or damage to perishables unless verbal notice is provided to AIT by telephone call within 48 hours following delivery.

In the case of claims for loss or damage to shipment(s), AIT must be allowed the privilege to make inspection of the shipment(s), container(s) and packaging material(s) at the place of delivery. Failure to afford AIT the privilege of inspection of claimed product and all related packaging shall be a bar to recovery of any claim.

4.2 Overcharge claims must be filed in writing with AIT within 180 days of Customer's receipt of the original bill from AIT; and, provided that such a claim has been timely filed, any action or proceeding by Customer against AIT to recover such charges shall be commenced not more than eighteen (18) months after Customer's receipt of AIT's applicable invoice.

4.3 Any claim for damage to Customer's premises incurred during performance of services by AIT will be deemed untimely unless noted on the bill of lading or delivery receipt or reported to AIT in writing within 24 hours of service at that location. Failure of Customer to notify AIT's Corporate Office of any such damage in a timely manner will be grounds for declination of any such claim; and Customer will be barred from pursuing any such claim in a court of law or otherwise. In order for AIT to consider any such claim, AIT must be allowed the privilege to make inspection of any property damage.

4.4 No claims will be considered until all transportation charges have been paid. Claims may not be deducted from transportation charges and no claims may be deducted from any other charges owed to AIT. AIT reserves the right to deduct claim payments from open Customer balances.

4.5 Formal claims, notices, and all related correspondence shall be filed with AIT at P.O. Box 66730, Chicago, IL 60666-0730 USA or emailed to [Claimsadmin@aitworldwide.com](mailto:Claimsadmin@aitworldwide.com).

4.6 AIT shall, unless expressly agreed otherwise, be discharged from all liability under these Terms and Conditions unless suit is brought within 9 months from:

- a) the date of delivery of the shipment(s) for claims for damage to the goods, or
- b) the date when the shipment(s) should have been delivered for claims for delay in delivery or for loss of goods.

With respect to loss or damage other than loss of or damage to shipment(s), the 9 month period shall be counted from the time when the act or omission of AIT giving rise to the claim occurred.

## 5. Legal

5.1 Customer **shall be liable** for all charges incurred in connection with the transportation and/or handling of any shipment tendered to AIT; and **shall indemnify** AIT for claims, fines, duties, taxes, penalties, losses, liabilities (including but not limited to those for storage, demurrage, port or terminal charges), handling, reconsignment, return of freight to the shipper, and other services) or other sums which may be incurred by AIT by reason of any violation of these Terms and Conditions or any other default of Customer. AIT shall have a continuing general lien upon all goods and documents in its possession, custody, or control or en route for all amounts owed to AIT, including all charges, expenses, duties, fines, penalties, or advances in connection with any shipment or other transaction involving

Customer. This lien supplements AIT's other rights under any other agreements and/or applicable law and can be extinguished only by full and indefeasible payment of all secured amounts. If Customer defaults in the payment of any such amounts, then AIT may sell such property by public auction or private sale. Any notice required to be given by AIT of a sale or other intended action with respect to any goods or documents, made by sending same to Customer at least ten (10) days or such other minimum period as prescribed by law prior to any proposed action, shall constitute fair, reasonable and adequate notice to Customer. Customer is liable for any deficiency from any sale.

5.2 All invoices not paid within 30 days of invoice date will be subject to a charge of 1-1/2% per month. AIT shall perform a credit worthiness assessment and assign a credit limit determined by the Customer's financial worthiness. AIT may at any time reassess the credit limit of Customer. An unfavorable change in the credit limit may result in a lien on goods and documents as outlined in section 5.1.

5.3 Customer shall hold AIT and its agents harmless for loss, damage, delay or any monetary losses which are a result of auxiliary services, including, but not limited to, local cartage, crating, uncrating, packing, warehousing, and unpacking. Auxiliary services are those which are performed prior or subsequent to transportation and which may be billed directly by the provider of the services or by AIT. NOTE: Under no circumstances will the liability of AIT for any monetary loss which is a result of any auxiliary services performed by AIT or its agents be greater than the liability contained in these Terms and Conditions.

5.4 Customer agrees that any assistance it, they or their agents, employees, contractors, or other affiliated parties may provide during the pick-up, transportation or delivery process will be at Customer's own risk. Customer hereby assumes the responsibility of notifying any related parties of the risks of assisting in any service being provided by AIT. Customer shall indemnify and hold harmless AIT from any liability or claims resulting from the respective participation or assistance of Customer, its agents, employees, contractors, or other affiliated parties in any service being provided by AIT.

5.5 Should AIT prevail in any legal action for the enforcement of these Terms and Conditions or collection of any sums due and payable under these Terms and Conditions, AIT shall be entitled to reasonable attorney's fees and costs.

5.6 In the event shipment(s) are international shipment(s) involving carriage by air and/or water, AIT's services provided and liability shall be governed by these Terms and Conditions and compulsorily applicable treaty or law. In the event of inconsistency between such compulsorily applicable treaty or law and these Terms and Conditions, the former shall govern to the extent of such inconsistency only. These Terms and Conditions shall otherwise govern all services provided herein. AIT accepts domestic shipping document(s) as a shipper's letter of instruction with authorization to prepare and sign on Customer's behalf an international shipping document, when applicable.

5.7 In the event a shipment is a warehouse shipment, meaning that the product is being stored by AIT for 30+ days, then AIT's "Warehouse Liability Contract Terms and Conditions" (which are posted at [www.aitworldwide.com](http://www.aitworldwide.com)) shall apply once the product is placed in storage. AIT will accept the waybill, bill of lading or other shipping document as a "Warehouse Receipt" with authorization to prepare and sign on Customer's behalf a warehouse document; and the liability of AIT shall be that of a storage facility, subject to the Liability and Claim provisions of its "Warehouse Liability Contract Terms and Conditions," and not a freight forwarder, at the commencement of storage.

5.8 In the event that Customer elects to use AIT's MYLTL Service, Customer hereby agrees that the terms of AIT's MYLTL Service Agreement will supersede any terms conflicting with these Terms and Conditions, including all terms related to claims filing, processing and liability.

5.9 By accepting the services provided under these Terms and Conditions, Customer irrevocably attorns: a) in respect of intra-Canada shipments, or shipments from Canada to a place other than the United States of America, to the exclusive jurisdiction of the courts of the Province of Ontario and the Federal Court of Canada, or b) in respect of shipments with any routing into, through or from the United States of America, to the exclusive jurisdiction of the courts of the State of Illinois, waiving jurisdiction of all other courts. The obligations in this paragraph shall survive termination of these Terms and Conditions.

5.10 Section headings have been included in these Terms and Conditions for convenience of reference only and are not to be considered part of, or to be used in interpreting, these Terms and Conditions.

## **6. Service**

6.1 Rates and charges for Customer's shipments will be based on actual or dimensional weight, whichever is greater. Customer is responsible for providing accurate weight and measurements for its shipments. Shipments are subject to re-weigh and re-measurement by AIT.

6.2 Collect on Delivery (C.O.D.) service is provided under the following conditions: (A) Customer must clearly identify the shipment as a C.O.D. shipment on the shipping document(s) and enter the amount to be collected in the C.O.D. Amount box on the shipping document(s) or notify AIT of the amount to be collected in writing by email or electronically prior to tendering shipment to AIT; (B) Customer must clearly specify the type of payment to be received (e.g., cash, check, money order or cashier's check) in the Special Instructions box on the shipping document(s); (C) each shipping container must be clearly marked C.O.D. and the amount to be collected must be marked on the side of the container containing the address label; and (D) AIT and Customer agree that AIT does not guarantee or verify that a check, money order, cashier's check or other such financial instrument is valid or negotiable. All payments are collected at Customer's risk. In the event that AIT fails to collect the requested C.O.D. amount, Customer agrees to pursue its customer for payment directly and shall release AIT from all liability related to payments not collected.

6.3 Unless prior arrangements are made, the acceptance of cash by AIT and its agents for payment of freight charges and / or C.O.D. amounts is limited to a maximum of \$1000.00 per shipment and / or stop.

6.4 AIT shall have the right to: (A) substitute alternate carriers or other means of transportation and (B) select the routing or deviate from that shown on the bill of lading(s), provided, however, that no substitution, rerouting or deviation deemed by AIT to be reasonable shall serve to invalidate any otherwise applicable limitation of liability. AIT shall use reasonable care in its selection of third parties, or in selecting the means, route and procedure to be followed in the handling, transportation, clearance and delivery of a shipment. AIT is authorized to select and engage carriers, truckers, forwarders, customhouse brokers, agents, warehousemen and others as required to transport, store, deal with and deliver the shipment(s). If events or circumstances, including a Customer's failure to take delivery, occur that affect performance of the Customer's mandate, AIT shall take reasonable steps to obtain the Customer's further instructions. If for whatever reason it does not receive timely instructions, AIT may

- a) store the goods at the sole risk and expense of the Customer or
- b) sell the goods immediately and without further notice, and hold any net proceeds for the account of the Customer, or
- c) authorize any third party to abandon carriage and make the goods or any part of them available to the Customer at a place that is reasonable in the circumstances.

## **7. Security, Compliance, Inspection**

7.1 Shipments are subject to security controls by carriers and, where appropriate, by government agencies.

7.2 Copies of shipping documents will be retained by AIT for two years.

7.3 Shipments are subject to inspection by AIT at AIT's option to confirm weight, density, description and/or security clearance.

7.4 It is Customer's responsibility to know and comply with applicable licensing, classification, valuation, marking and other customs requirements, laws, regulations, and rulings in force of any country having jurisdiction over a shipment. AIT shall not be responsible for action taken, liquidated damages, or fines or penalties assessed by any governmental agency against the shipment because of the failure of shipper to comply with the laws, requirements or regulations of any country or governmental agency or with a notification issued to shipper by any such agency.

## **8. LTL Carrier Selection Service Agreement (MyLTL)**

8.1 In the event AIT offers Customer its Less-than-Truckload (LTL) carrier-selection service, herein referred to as "MyLTL," AIT will supply Customer with login information to the MyLTL web-based



application. AIT makes no warranty express or implied, including, without limitation, of merchantability or fitness for a particular purpose, with regard to the website, information provided on the website or transactions conducted on the website.

8.2 Customer agrees that all user I.D.'s, passwords and information viewed on the website shall be kept in strict confidence by all persons receiving access, and Customer warrants that no person shall in any way attempt to view information other than that permitted by the limited access granted, or attempt to modify any aspect of the website. Customer also agrees that it shall not knowingly populate the website with data that is inaccurate, or in any way corrupted so as to cause damage to the website or any of the other data situated on the website. Customer further agrees to indemnify and hold AIT harmless from any and all damages, costs, actions, causes of action, regardless of nature, including but not limited to court costs and attorney's fees, which may arise from, out of or in connection with any act or omission of any person (whether or not an employee or agent of Customer) who gains access to, alters, or adds any data or information on the website as a direct or indirect result of the access granted to Customer by AIT. Customer acknowledges that AIT reserves the right to terminate any and all access to the website granted to any person pursuant to this or any other agreement, which termination of access may occur at any time, with or without notice, and for any reason or for no reason, in AIT's discretion.

8.3 The rates for the LTL services arranged through the website will be displayed in the MyLTL carrier selection process. Customer will have an opportunity to select a carrier based upon the information provided in that process. Customer is responsible for properly describing shipments (including count, weight and, if applicable, National Motor Freight Classification class) in that process. Customer acknowledges that all rates and limitations are subject to proper description and, in the event of misdescription by Customer, are subject to modification to the rates and limitations corresponding to the actual description of the shipments.

8.4 In the event of any loss or damage to any shipments handled by carriers selected through the web-based carrier selection process, Customer must notify AIT in writing immediately to enable AIT to timely file claims with the applicable carrier. AIT will submit a claim directly to the selected carrier. By selecting a carrier through the web-based carrier selection process, Customer acknowledges and agrees to the selected carrier's limitations of liability, rules tariff(s), claims and liability policies, conditions of contract, and all other related policies and rules for that shipment. AIT's liability is governed by the selected carrier's limitations of liability, rules tariff(s), claims and liability policies, conditions of contract, and all other related policies and rules for that shipment, provided, however, that in no event shall AIT's liability exceed the liability of the selected carrier for a given shipment.