

GENERAL

These Terms and Conditions of Transport apply to the provision of all Clark Freightways services. In the event of any conflict or inconsistency between these Terms and Conditions and any other written or oral statement (including any Clark Freightways Bill of Lading or other shipping document), these Terms and Conditions shall govern. These Terms and Conditions, and customer specific pricing letters together with the Bill of Lading constitute the entire agreement with respect to Clark Freightways services and set out all covenants, promises, warranties, representations, conditions, understandings and agreements with respect to Clark Freightways services, and supersede all previous terms and conditions and any other prior documentation concerning Clark Freightways services. Clark Freightways reserves the right from time to time to unilaterally modify, amend or change these Terms and Conditions without notice.

Clark Freightways agrees to provide, at Clark Freightways specified rates, services in accordance with the terms and conditions set out in these Terms and Conditions of Transport and those set out in the applicable Bill of Lading. In these Terms and Conditions, "Bill of Lading" includes any Clark Freightways shipping document, waybill, manifest, POD or similar document. In accordance with Clark Freightways' General Rules Tariff, customer pricing letters cover the transportation of freight by truck and driver. Rates include standard dock-to-dock pick-up and/or delivery of a single shipment, in commercial areas of business and in accordance with the normal practices and procedures of the carrier. For services requested beyond the general pick-up and/or delivery, extra charges may apply in accordance with Clark Freightways' General Rules Tariff and Value Added Services rate sheet.

Services provided by the carrier shall be subject to the Specified Conditions of Carriage contained in the British Columbia Provincial Motor Carrier Legislation and regulations thereto which are hereby incorporated by reference and to the terms and conditions set forth below.

COOLER SERVICE

Standard cooler service for meat, fish, poultry and dairy, etc. is subject to a temperature range of (33°) to (40°)F or (1°) to (4°)C. General produce is subject to a range of (33°) to (44°)F or (1°) to (6°)C. Shipments delivered within these ranges are considered to have met the criteria for "cooler service" and are not subject to damage claim for warm freight. Clark Freightways does not protect shipments to a specific temperature, and does not recognize such notations on the customer's waybill as a condition of liability.

Clark Freightways does not provide a "cool down or freezing" service for goods received outside standard temperature guidelines described above. Shipments tendered to Clark Freightways outside of the standard temperatures as outlined above may be refused at pickup or transported at the customer's own liability, and will not be subject to a temperature claim against the carrier.

FREEZER SERVICE

Standard freezer service is subject to a temperature of no more than ten (10°)F or minus twelve (-12°)C.

NOTICE OF CLAIM

No carrier is liable for loss, damage or delay to any goods carried under the Bill of Lading unless notice thereof setting out particulars of the origin, destination and date of shipment of the goods and the estimated amount claimed in respect of such loss, damage or delay is given in writing to the originating carrier or the delivering carrier within sixty (60) days after delivery of the goods, or, in the case of failure to make delivery, within nine (9) months from the date of shipment. The final statement of claim must be filed within nine (9) months from the date of shipment together with a copy of a paid freight bill.

CLAIM SUBMISSION

All claims are processed through our Burnaby Head Office. All claims must be submitted in writing. Special claim forms are not required, although a copy of the Clark Customer Claim Form may be requested by fax or email from our claims department or any branch. Every effort is made to complete a claim investigation with the least possible delay. We ask you to understand, however, some investigations can require considerable time due to a variety of circumstances.

The presentation of a well documented claim greatly assists in the prompt disposition of a claim. The following will provide an overview of the documentation required in order to process the claim.

- Vendor's invoice showing the price of lost or damaged goods (be sure to include final page detailing discounts).
- Itemized statement, detailing how the amount of loss claimed has been calculated.
- Consignee's copy of the freight bill bearing loss or damage notation.
- Invoice for repair, detailing parts and labour (if applicable).
- Copy of paid freight bill.
- Inspection Report, (if applicable).

CARGO INSPECTIONS

A cargo inspection may be requested directly with the Claims Department or through any Branch. An inspection report does not constitute an admission of liability, filing of Notice of Intent to Claim, or filing of Claim. Concealed damages must be reported immediately to the nearest Clark Freightways Branch. Stop unpacking the goods and keep all packaging materials for the inspector.

DELIVERY EXCEPTIONS & SIGNATURES

Damages or shortages must be clearly noted and identified on the carrier's receipt copy of the freight bill (POD) with consignee's signature and printed name at the time of delivery. Notations such as "Subject to Inspection and/or Count", "Cartons Crushed", "Possible Damage", "Possible Shortage" do not constitute a legitimate damage or shortage exception. A signature without exception will constitute conclusive proof of goods having been received in good order and in condition.

MAXIMUM LIABILITY / DECLARED VALUE OF SHIPMENT

Bill of lading conditions allow the consignor an opportunity to declare the value of merchandise at the time of shipment. Failure to do so maximizes the carrier's liability for any loss or damage at \$2.00 per pound (\$4.41 per kilogram). Shippers should be aware a declared value exceeding \$2.00 per pound (\$4.41 per kilogram) will result in a valuation surcharge being applied in accordance with the Clark Freightways General Rules Tariff on any prepaid, collect or third party shipment. Pre-authorization by an employee representative of Clark Freightways is required in writing for shipments exceeding a declared value of \$2,500.00 or greater, over the standard liability of \$2.00 per lb.

In no event, will Clark Freightways be liable for consequential, incidental, punitive, or indirect damages, including loss of profits or income, whether or not Clark Freightways had knowledge that such damages might be incurred.

ARTICLES OF EXTRAORDINARY VALUE – No carrier is bound to carry any documents, specie or articles of extraordinary value unless by special agreement to do so, if such goods are carried without a special agreement and the nature of the goods is not disclosed herein, Clark Freightways shall not be liable for any loss or damage in excess of the maximum liability stipulated above as \$2.00 per pound (\$4.41 per kilogram).

CLARK FREIGHTWAYS

TRANSPORT

GENERAL TERMS AND CONDITIONS OF

EXCEPTIONS FROM LIABILITY

Clark Freightways shall not be liable for loss, or delay to any of the goods described in the Bill of Lading caused by an Act of God, the Queen's or Public Enemies, riots, strikes, a defect or inherent vice in the goods, the act of default of the consignor, owner or consignee, authority of law, quarantine or a difference in weights of grain, seed or other commodities caused by natural shrinkage. Clark Freightways accepts no liability for shipments requiring temperature control or the quality of perishable products, where the carrier is required to store a product over a weekend or general holiday.

Clark Freightways is not liable for loss and damage where the shipper loads a spotted trailer and the carrier is not able to verify the count or condition of the freight. In such cases the Clark Freightways representative shall indicate the shipment was loaded by the shipper on the Bill of Lading with the notation of "SLC" (Shipper's Load & Count). Furthermore, the carrier agrees to advise the shipper of any shortages or damages within twenty-four (24) hours at the point of first handling. In addition where the carriers' pick-up driver is unable to confirm the piece count detailed on the Bill of Lading due to the configuration of the packaging or handling unit(s), the driver shall acknowledge receipt of the goods with the notation of "STC" (said-to-contain). In such case the carrier shall not be liable for any loss provided the shipment is delivered with said packaging intact.

DELAYED SHIPMENTS

Clark Freightways will make every reasonable effort to deliver customers' shipments according to Clark Freightways regular delivery schedules; these are not, however guaranteed and do not form part of these Terms and Conditions. Clark Freightways is not liable for any delays and is not responsible for the consequences of a failure to deliver by a stipulated time. Where goods are stopped and held in transit at the request of the party entitled to so request, the goods are held at the risk of that party.

MITIGATION OF LOSS

In the event of loss or damage, it is the claimant's duty to mitigate any loss by all reasonable means. Claims shall be expressly limited to the dollar amount of actual loss or repair. No administration, labour or charges other than actual cost of loss or repair will be accepted. Should it become necessary to claim the full value of merchandise concerned, all damaged or distressed material should be retained until claim settlement is achieved. This allows the carrier the right to recovery of goods for salvage purposes, if deemed appropriate. The claimant may also choose to control disposition of damaged goods, by proposing a reasonable credit in lieu of salvage.

SHIPPER'S WARRANTY

The shipper warrants to Clark Freightways that each shipping container and goods have been marked to identify the consignee, the consignee's address, number of pieces and any delivery instructions and that such markings are consistent with the details and instructions of the Bill of Lading. The shipper further warrants the goods have been properly and adequately packaged and prepared to withstand those risks of damage necessarily incidental to transportation. The shipper indemnifies Clark Freightways for any and all claims arising out of the shipper's breach of such warranty. Where a shipment tendered to the carrier includes dangerous goods, the shipper warrants to the carrier that the goods and the Bill of Lading have been prepared to comply with all Federal and Provincial Laws and Regulations applicable to the Transportation of Dangerous Goods, and the shipper shall indemnify the carrier against any loss, damage or delay caused thereby, and any such goods may be warehoused at the consignor's risk and expense.

PACKAGING

All products must be well packaged or crated to handle the normal rigors of transportation. Clark Freightways assumes no liability for any loss, damage or delay due to inadequate or improper packaging, uncrated machinery or missing or incorrect labeling. The carrier may refuse to transport shipments which are not deemed to be packaged or protected for safe transportation, and reserves the right to move shipments with poor or inadequate packaging at "Owners Risk of Damage" (ORD). All goods must be clearly marked to show destination and delivery address.

FRAGILE & PERISHABLE PRODUCTS - Clark Freightways maintains reefer temperatures for all cooler products at a standard operating temperature well above 32 degrees Fahrenheit. However, depending on the placement within the trailer some fragile products such as live plants, peaches, etc, may be susceptible to air-chill through the standard operation of the reefer. For this reason it is incumbent on the shipper of these types of products to ensure their shipping containers have adequate protection for their products from risks of air-chill. Plants, produce or other fragile goods should never be shipped without the tops of the shipping container being enclosed and insulated with a layer of cardboard.

UNDELIVERED GOODS & RETURN OF GOODS

Where, through no fault of Clark Freightways, the goods cannot be delivered, Clark Freightways shall immediately give notice to the consignor and consignee that delivery has not been made, and shall request disposal instructions. Pending receipt of disposal instructions, the goods may be stored in a Clark Freightways warehouse, subject to storage charges in accordance with Clark Freightways' General Rules Tariff and Value Added Services rate sheet. Where notice has been provided and no disposal instructions have been received within ten (10) days from the date of such notice, Clark Freightways may return to the consignor, at the consignor's expense, all undelivered shipments for which such notice has been given.

ALTERATIONS TO THE BILL OF LADING

Where it is necessary for Clark Freightways to alter a "Bill of Lading", "Waybill", or "Pro-bill" on the instructions of the shipper, a service charge will be applied, in addition to all other applicable tariff charges. The charge is payable by the shipper.

WEIGHTS

It shall be the responsibility of the shipper to show correct shipping weights of the shipment on the Bill of Lading. Where the actual weight of the shipment does not agree with the weight shown on the Bill of Lading, the weight shown thereon is subject to correction by the carrier. If it is necessary for the carrier to change the weight shown on the Bill of Lading, additional freight charges and/or an administrative charge may be applicable.