

Purolator Terms and Conditions of Service

Effective June 28, 2009





Contents

01	Application of Terms and Conditions
01	Definitions
01	Products
04	Specialized Services
08	Rate Application
10	Tendering Shipments to Purolator
13	Shipment Acceptance Policy
14	Delivery of Shipments
15	Billing, Payment and Liability Information

Application of Terms and Conditions

All products and services provided by Purolator Courier Ltd. ("Purolator"), including those provided through agents or subcontractors, are subject to and governed by these Terms and Conditions and the terms and conditions set out on the Bill of Lading (defined below), and will be billed in accordance with these Terms and Conditions.

In the event of an inconsistency between these Terms and Conditions and the terms and conditions set out on the Bill of Lading, these Terms and Conditions will govern to the extent of such inconsistency. When Shipments are prepared using an Automated Shipping System (defined below), these Terms and Conditions are deemed to be incorporated into the Bill of Lading generated by such Automated Shipping System.

Definitions

"Account Customer" means a person, entity, partnership or organization that is party to a Courier Services Agreement or has otherwise set up an account with Purolator for billing purposes.

"Additional Charges" means those specialized service, administrative and shipping charges that may be applied in addition to a Product Rate in respect of a Shipment as more fully described below in "Specialized Services", "Administrative Charges" and "Shipping Charges", respectively.

"Automated Shipping System" means any automated shipping system used by Purolator or Purolator's customers to engage the services described herein, including Purolator E-Ship™ Online, Purolator E-Ship™ Server and Purolator E-Ship™ Web Services.

"Bill of Lading" means any shipping document, label, waybill, manifest or similar instrument used by Purolator in the provision of its products and services.

"Convention" means the Convention for the Unification of Certain Rules Relating to International Carriage by Air signed at Warsaw, Poland, October 12, 1929 or the Convention for the Unification of Certain Rules for International Carriage by Air signed at Montreal, Canada, May 28, 1999, or those conventions as amended or supplemented as may be applicable. When applicable, the Convention in most cases limits the liability of Purolator, its agents and its subcontractors in respect of loss of, damage to, or delay in the carriage of Shipments.

"Courier Services Agreement" means a Purolator Courier Services Pricing Agreement or other agreement governing the provision of courier services by Purolator to a Customer.

"Customer" means a person, entity, partnership or organization utilizing Purolator's products and services, whether as Shipper or Receiver, and includes any Account Customer.

"Package" means any single package, piece, container or envelope accepted by Purolator for delivery.

"Product Rate" means, in respect of a Shipment, the rate charged by Purolator to a Customer based on the Customer's selected product but excludes all Additional Charges in respect of such Shipment.

"Receiver" means the party to whom a Shipment is addressed.

"Residential Area" means an area that is primarily residential, as determined by Purolator from time to time.

"Shipment" means one or more Packages sent on the same date and at the same time from one Shipper to one Receiver at one address under a single Bill of Lading.

"Shipper" means the party tendering a Shipment to Purolator for delivery.

Products

Shippers must select one of the following products for each of its Shipments.

Purolator Express™

Shipments tendered in *Purolator Express Envelopes, Purolator Express Packs, Purolator Express Boxes* or Customer's own packaging, are available as *Purolator Express Products*.

Express - Domestic

Purolator Express 9AM

Delivery guaranteed* from and to select points in Canada by 9:00 a.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 9:00 a.m. on the day specified by Purolator.

Purolator Express 10:30AM

Delivery guaranteed* from and to select points in Canada by 10:30 a.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 10:30 a.m. on the day specified by Purolator.

Terms and Conditions of Service

Purolator Express Evening

Delivery guaranteed* from and to select points in Canada between 5:30 p.m. and 9:00 p.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be between 5:30 p.m. and 9:00 p.m. on the day specified by Purolator.

Purolator Express

Delivery guaranteed* from and to select points in Canada by 5:00 p.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 5:00 p.m. on the delivery day specified by Purolator.

Express - U.S. Export

Purolator Express U.S. 9AM

Delivery guaranteed* from Canada to select points in the U.S. by 9:00 a.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 9:00 a.m. on the delivery day specified by Purolator.

Purolator Express U.S. 10:30AM

Delivery guaranteed* from Canada to select points in the U.S. by 10:30 a.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 10:30 a.m. on the day specified by Purolator. Note that for certain points, guaranteed* delivery will be by noon on the applicable delivery day.

Purolator Express U.S.

Delivery guaranteed* from Canada to select points in the U.S. by 6:00 p.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 6:00 p.m. on the delivery day specified by Purolator.

Express - U.S. Import

Purolator Express U.S. 9AM

Delivery guaranteed* from the U.S. to select points in Canada by 9:00 a.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 9:00 a.m. on the delivery day specified by Purolator.

Purolator Express U.S. 10:30AM

Delivery guaranteed* from the U.S. to select points in Canada by 10:30 a.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 10:30 a.m. on the day specified by Purolator. Note that for certain points, guaranteed* delivery will be by noon on the applicable delivery day.

Purolator Express U.S.

Delivery guaranteed* from the U.S. to select points in Canada by 6:00 p.m. on the next business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 6:00 p.m. on the delivery day specified by Purolator.

Express - International Export

Purolator Express International 9AM

Delivery guaranteed* from Canada to select international (non-U.S.) points by 9:00 a.m. on the second business day after tender to most major centres in Europe and Asia. However, where geographic limitations apply, guaranteed* delivery will be by 9:00 a.m. on the delivery day specified by Purolator.

Purolator Express International 10:30AM

Delivery guaranteed* from Canada to select international (non-U.S.) points by 10:30 a.m. on the second business day after tender to most major centres in Europe and Asia. However, where geographic limitations apply, guaranteed* delivery will be by 10:30 a.m. on the day specified by Purolator. Note that for certain points, guaranteed* delivery will be by noon on the applicable delivery day.

Purolator Express International

Delivery guaranteed* from Canada to select international (non-U.S.) points by 6:00 p.m. on the second business day after tender to most major centres in Europe and Asia. However, where geographic limitations apply, guaranteed* delivery will be by 6:00 p.m. on the delivery day specified by Purolator.

Express – International Import

Purolator Express International 9AM

Delivery guaranteed* from an international (non-U.S.) point to select points in Canada by 9:00 a.m. on the second business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 9:00 a.m. on the delivery day specified by Purolator.

Purolator Express International 10:30AM

Delivery guaranteed* from an international (non-U.S.) point to select points in Canada by 10:30 a.m. on the second business day after tender. However, where geographic limitations apply, guaranteed* delivery will be by 10:30 a.m. on the day specified by Purolator. Note that for certain points, guaranteed* delivery will be by noon on the applicable delivery day.

Purolator Express International

Delivery guaranteed* from an international (non-U.S.) point to select points in Canada by 6:00 p.m. on the second business day

after tender. However, where geographic limitations apply, guaranteed* delivery will be by 6:00 p.m. on the delivery day specified by Purolator.

Charges for Purolator Express Envelopes, Packs and Boxes

The following Shipments are charged a flat Product Rate, based on the product selected and the Shipment's origin and destination: *Purolator Express Envelope* Shipments weighing up to one lb, *Purolator Express Pack* Shipments weighing up to three lbs and *Purolator Express Box* Shipments weighing up to seven lbs. Purolator reserves the right to charge Customer based on the actual weight of the *Purolator Express Envelope, Pack or Box* Shipment if the foregoing weight limits are exceeded (See "Right to Reweigh Shipments" and "Cubing/Low Density Shipments"). Only pre-approved Customers are eligible to use *Purolator Express Boxes* and only when the Shipment is prepared using an Automated Shipping System.

Purolator Ground™

Shipments tendered in *Purolator Express Envelopes, Purolator Express Packs or Purolator Express Boxes* will travel via the selected Purolator Express product (see above) and will not be delivered as *Purolator Ground* Shipments.

Ground - Domestic

Purolator Ground

Shipments will reach most points in Canada in two to six days depending on the destination.

Purolator Ground 9AM

Delivery guaranteed* by 9:00 a.m. to most points in Canada in two to six days depending on the destination. This product is only available to pre-authorized Customers.

Purolator Ground 10:30AM

Delivery guaranteed* by 10:30 a.m. to most points in Canada in two to six days depending on the destination. This product is only available to pre-authorized Customers.

Purolator Ground Evening

Delivery guaranteed* between 5:30 p.m. and 9:00 p.m. to most points in Canada in two to six days depending on the destination.

Purolator Ground - Distribution

Shipments will reach most points in Canada in two to six days depending on the destination. Each Shipment must be comprised of at least four Packages and each such Package must weigh at least

15 lbs. (a Package weighing less than 15 lbs. will be ascribed a weight of 15 lbs regardless of its actual weight). The multipiece shipping charge (see "Multipiece" below) shall not apply in respect of *Purolator Ground* Distribution Shipments. Only pre-approved Customers are eligible to use this product.

Ground - U.S. Export

Purolator Ground U.S.

Shipments will reach most points in the U.S. in two to seven business days.

Ground - U.S. Import

Purolator Ground U.S.

Shipments will reach most points in Canada in two to seven business days.

* Terms and Conditions of Guaranteed Products

Purolator will refund or credit the whole (subject to the note below) of the Product Rate only (i.e., excluding any Additional Charges) paid by the Customer (payer) to Purolator in respect of a guaranteed Shipment, upon request (see "Refunds for Purolator Guarantees"), if Purolator delivers Customer's guaranteed Shipment after the applicable delivery guarantee time (or before or after 5:30 p.m. and 9:00 p.m., respectively, in the case of a Purolator Express Evening Shipment or *Purolator Ground* Evening Shipment) on the applicable delivery guarantee day, provided the following conditions are met:

(i) The Shipment destination must be an eligible guaranteed delivery point from the point of origin for the applicable guaranteed product; certain geographic and other limitations apply. If a Shipper selects an ineligible guaranteed delivery point from the point of origin for the applicable guaranteed product, the guarantee for such Shipment shall be deemed to be the next best guaranteed product offered from such origin point to such delivery point (e.g., if *Purolator Express 10:30AM* is selected but not available and *Purolator Express 9AM* and *Purolator Express* (i.e., 5:00 p.m.) are available, the guarantee will be deemed to be a Purolator Express (i.e., 5:00 p.m.) guarantee. Please call 1 888 SHIP-123 for details.

(ii) The delay must not be caused by some event beyond the control of Purolator, including but not limited to, those items set out under "Events Beyond Purolator's Control".

(iii) The Shipment must not be left in a Purolator drop box facility after the posted pickup time, must not be an "after hours" pickup made after local cut-off times, and must not be tendered to Purolator (or its agents or subcontractors) after local cut-off times.

Terms and Conditions of Service

(iv) In the case of *Purolator Express*[™] 9AM Shipments, *Purolator Express*[™] 10:30 AM Shipments, *Purolator Express*[™] Evening Shipments, *Purolator Ground*[™] 9AM Shipments, *Purolator Ground*[™] 10:30AM Shipments and *Purolator Ground*[™] Evening Shipments, each Package must weigh no more than 70 lbs (32 kgs).

For details of applicable geographic and other service limitations (as determined by Purolator from time to time), please call 1 888 SHIP-123. Note that the foregoing guarantee may be modified or void in respect of Dangerous Goods Shipments (see “Dangerous Goods”). Note that in the event that at least one (but not all) of the Packages of a guaranteed Shipment are not delivered in accordance with such guarantee, Purolator shall refund or credit the Customer (payer), upon request, an amount equal to the Product Rate applicable in respect of the original Shipment less the Product Rate that would have applied if only the Package(s) that is/are delivered in accordance with Purolator’s guarantee comprised the Shipment (e.g., if a Shipment is comprised of four Packages, three of which are delivered in accordance with an applicable guarantee and the fourth of which is not, Customer (payer) shall be entitled to a refund or credit, upon request, equal to the Product Rate for the original Shipment less the Product Rate that would have applied if only the three Packages that were delivered in accordance with the applicable guarantee comprised the Shipment). In the event of a disruption in alternative delivery services, the foregoing guarantee will not apply until the volume of Shipments tendered to Purolator returns to normal.

Sameday

NEXT FLIGHT OUT is available for deliveries across Canada, or from Canada to the U.S. Customers’ Shipments will be picked up, taken to the nearest major airport and placed on the next available flight out. Upon landing, Customers’ Shipments will be delivered directly to their destinations.

DIRECT DRIVE service is a point-to-point direct delivery service available within Canada. Customers’ Shipments will be collected from their pickup locations and driven directly to their destinations.

ON AND GONE[®], *HOT*, *RUSH* and *REGULAR* services are direct delivery in-city messenger services available in major Canadian cities. Depending on the pickup location and destination and the service requested, Purolator may pick up and deliver Customers’ Shipments in the same city within 30 minutes to 5 hours of the call for delivery.

[®]ON AND GONE is a registered trade-mark of Dynamex Inc.

For all Same Day products:

(i) A Same Day Bill of Lading must be completed by the Customer/Shipper.

(ii) Dangerous Goods and Chain of Signature Shipments will not be accepted as Same Day deliveries.

(iii) Purolator’s liability for Same Day deliveries is limited - (see “Maximum Liability”).

Same Day products are not money-back, guaranteed products.

Specialized Services

The following Purolator specialized services may be added to any Purolator product except as indicated.

Declared Value Surcharge

(For Purolator liability purposes only – Purolator does not provide insurance).

If the Shipper declares a value for Purolator liability purposes, a surcharge of 4.50% of the amount of the declared value will be applied to the cost of the Shipment. Notwithstanding the foregoing, no declared value surcharge will be applied to the first CDN \$100.00 of declared value of a Shipment. See “Maximum Liability” for the maximum value that may be declared for Purolator liability purposes in respect of any Shipment.

ExpressCheque[®]

ExpressCheque is an alternative to cash on delivery (COD) shipments where payment is collected from the Receiver at the time a Shipment is delivered. *ExpressCheque* is only available for select Canadian destinations. When a Shipper elects *ExpressCheque* service, Purolator will, prior to releasing the Shipment to the Receiver, collect a cheque, post-dated cheque, certified cheque, bank draft or money order made payable to the Shipper in the amount noted on the face of the *ExpressCheque*. *ExpressCheque* services are provided subject to the following terms and conditions:

(i) Purolator’s liability in the event of loss, damage or delay in the delivery of the *ExpressCheque* envelope, regardless of the manner in which that loss, damage or delay occurs, or for failure to collect a cheque, post-dated cheque, certified cheque, bank draft or money order at delivery, or if the amount noted on any of the above is incorrect, is limited to a refund of the freight charges paid for the *ExpressCheque* Shipment.

(ii) Purolator assumes no responsibility for ensuring the genuineness of a document purporting to be a cheque, post-dated cheque, certified cheque, bank draft or money order, and assumes no liability in the event that the document received by Purolator is not that which it was represented to be by the Receiver or requested/expected to be by the Shipper.

(iii) Purolator makes no representation regarding the validity of the cheque, post-dated cheque, certified cheque, bank draft or money order received and assumes no liability in the event that the cheque, post-dated cheque, certified cheque, bank draft or money order is not honoured.

(iv) Purolator assumes no responsibility for ensuring that the Receiver complies with the form of payment requested by the Shipper and assumes no liability in respect thereof.

(v) The Shipper is required to advise the Receiver of the amount of the cheque, post-dated cheque, certified cheque, bank draft or money order required prior to delivery by Purolator, any of which must be made payable to the Shipper, and any of which are accepted at Shipper's risk.

(vi) If the Receiver refuses to accept delivery of the Shipment, for whatever reason, the Shipper will be billed and agrees to pay the shipping costs for the return of the Shipment.

(vii) Only cheques, post-dated cheques, certified cheques, bank drafts or money orders are acceptable. Cash is prohibited.

(viii) These ExpressCheque terms and conditions are non-negotiable and cannot be altered, varied or amended.

Dangerous Goods

Purolator will accept certain Dangerous Goods for transportation provided that they are properly marked, labelled and packaged to ensure safe transportation in accordance with Purolator's ordinary care in handling and in accordance with all applicable legislation, including, without limitation, the *Transportation of Dangerous Goods Act* and the Regulations thereunder and the Technical Instructions published by the International Civil Aviation Organization. The Shipper must also indicate whether the Shipment has been prepared for transportation by air or ground.

Dangerous Goods Shipments may travel as Purolator Express Shipments to Canadian and U.S. destinations provided that they are accepted by a Purolator Dangerous Goods Specialist at a Purolator facility to ensure regulatory compliance. Dangerous Goods Shipments may be tendered to a Purolator Shipping Centre or driver; however, notwithstanding Purolator's delivery time guarantee, late delivery of any such Shipment shall entitle the Customer only to the return of the premium paid to upgrade the delivery from a Purolator Ground Shipment to a Purolator Express Shipment provided that the Shipment was compliant for Purolator Express (air) transport. Dangerous Goods charges are non-refundable.

Dangerous Goods picked up on a Friday may be delivered using Saturday Service (described below) if elected by the Customer. Dangerous Goods picked up on Saturdays will be delivered no earlier than Tuesday at 5:00 p.m. (see "Saturday Service").

Dangerous Goods Shipments Within Canada

The following table outlines those Dangerous Goods that can be accepted by Purolator for shipment in Canada (including those which require prior approval from Purolator) and those that cannot be accepted:

DANGEROUS GOODS	
Acceptable	
Class	Description
1.4G	UN0191, UN0197, UN0312, UN0336, UN0403, UN0431, UN0453 and UN0493 ONLY
1.4S	Safety Explosives
2.1	Flammable Gases
2.2	Non-flammable / Non-toxic Gases
3	Flammable Liquids
4.1	Flammable Solids
4.2	Spontaneously Combustible Materials
4.3	Water Reactive Substances
5.1	Oxidizers
6.1	Toxic Substances
6.2	Infectious Substances
7	Radioactive Materials
8	Corrosives
9	Miscellaneous Dangerous Goods

Restricted: Acceptable Only With Prior Approval by Manager Of Dangerous Goods

Class	Description
1.4 G	Explosives- other than those UN#'s listed above as "Acceptable"
5.2	Organic Peroxides

Not Acceptable

Class 1	Explosives (except 1.4G or 1.4S as listed above)
Class 2.3	Toxic Gases
	Regulated Wastes

Terms and Conditions of Service

Notwithstanding the foregoing, Dangerous Goods cannot be accepted for delivery to points not directly serviced by Purolator (see "Beyond Point Service"). For information on shipping consumer commodities, please call 1 888 SHIP-123.

Dangerous Goods Shipments to and from the U.S.

Dangerous Goods that are acceptable for shipment to or from the U.S. must be accepted by a Purolator Dangerous Goods Specialist (or an authorized Dangerous Goods Specialist agent of Purolator)(note that certain classes of Dangerous Goods that are acceptable for transportation within Canada (with or without prior approval from Purolator) may not be acceptable (or may require prior approval from Purolator) for transportation to or from the U.S.; please call 1 888 SHIP-123 for details). All Dangerous Goods approved for carriage to the U.S. must be prepared in accordance with the Transportation of Dangerous Goods Regulations and the relevant sections of Title 49 CFR. Dangerous goods acceptable for carriage by air and offered for carriage to international destinations must further meet the requirements of the ICAO Technical Instructions for the Safe Transport of Dangerous Goods by Air. Upon approval, Dangerous Goods may be tendered for carriage by road or air to the United States.

Dangerous Goods Shipments to and from International (non-U.S.) Points

Purolator will only transport Dangerous Goods to or from international (non-U.S.) points for pre-authorized Customers under special agreement; please call 1 888 SHIP-123 for details.

Tendering Dangerous Goods Shipments

Prior to tendering any Dangerous Goods to Purolator for delivery, the Shipper must:

- (i) be adequately trained in packaging and preparing Dangerous Goods for transport;
- (ii) hold a training certificate or perform those activities under the direct supervision of a trained person who holds a certificate (see section 6.1 of Part 6, "Training" of the Transportation of Dangerous Goods Regulations);
- (iii) know the appropriate classification of the Dangerous Goods;
- (iv) ensure proper packaging according to safety standards;
- (v) provide proper marking and labeling of each Shipment according to regulations;
- (vi) provide the appropriate documentation for the selected mode of transport;
- (vii) supply the appropriate placards (for external identification of Dangerous Goods on Purolator's truck) when necessary; and

(viii) provide the appropriate statements in the "description" field of the Bill of Lading.

Chain of Signature

Purolator's Chain of Signature ("COS") service may be used to effect the transportation of certain controlled drugs and firearms in Canada. As COS Shipments travel through Purolator's handling system, authorized Purolator employees sign the Bill of Lading at each point throughout the handling process.

Only pre-authorized Customers may send COS Shipments. In addition, the Shipper must identify COS Shipments to Purolator before they are tendered to Purolator. A COS Bill of Lading displaying a full description of the contents of the Shipment and a COS sticker must be applied to the Shipment by the Shipper. COS service is not available with Saturday Service, to non-Canadian delivery points or to delivery points deemed to be beyond point deliveries.

Saturday Service

When Saturday Service is selected for eligible products, a Shipment picked up on Friday will be delivered by 5:00 p.m. Saturday, and a Shipment picked up on Saturday will be delivered by 5:00 p.m. on the day specified by Purolator, or Purolator will, upon request (see "Refunds for Purolator Guarantees"), refund or credit the whole of the Product Rate (excluding any Additional Charges except the charge in respect of the Saturday Service) paid by the Customer (payer) provided the following conditions are met:

- (i) The Shipment destination must be a Saturday Service guaranteed delivery point from the point of origin (select destinations only).
- (ii) The delay must not be caused by some event beyond the control of Purolator, including but not limited to, those items set out under "Events Beyond Purolator's Control".
- (iii) This guarantee applies to any qualified domestic or U.S. Shipments, except Shipments left in Purolator drop box facilities after the posted pickup time, and all After Hours pickups done after local cut-off times.
- (iv) Purolator will not accept Saturday Service Shipments that (a) require Chain of Signature, or (b) are Heavy Weight Service Shipments.
- (v) Purolator will not pick up Dangerous Goods on Saturdays for Monday delivery; delivery will be made on Tuesday at the earliest.
- (vi) A Saturday Service Shipment picked up for Saturday delivery cannot be converted, upgraded or modified to any other product (e.g., to a Purolator Express 9AM or a Purolator Express Evening Shipment).

Note that in the event that at least one (but not all) of the Packages of a guaranteed Saturday Service Shipment are not delivered on Saturday in accordance with such guarantee, Purolator shall refund or credit the Customer (payer), upon request, an amount equal to the Product Rate (and the Saturday Service charge) applicable in respect of the original Shipment less the Product Rate (and the Saturday Service charge) that would have applied if only the Package(s) that is/are delivered in accordance with Purolator's guarantee comprised the Shipment (e.g., if a Shipment is comprised of four Packages, three of which are delivered on Saturday and the fourth of which is not, Customer (payer) shall be entitled to a refund or credit, upon request, equal to the Product Rate (and the Saturday Service charge) for the original Shipment less the Product Rate (and the Saturday Service charge) that would have applied if only the three Packages that were delivered on Saturday comprised the Shipment).

Special Handling

An additional charge will be applied when shipping items that require special handling, including, without limitation:

- (i) non-packaged (unboxed) items (excluding Purolator Express Envelopes, Purolator Express Packs and document Shipments);
- (ii) items not fully encased in a suitable shipping container (e.g., tires, pails, shrink wrapped items, etc.);
- (iii) overweight/oversized Packages which:
 - a. weigh more than 70 lbs (32 kgs) (including Purolator Express Envelopes, Purolator Express Packs or Purolator Express Boxes weighing more than 70 lbs (32 kgs), notwithstanding that Heavy Weight Service Shipments are not eligible for Purolator's delivery guarantees);
 - b. equal or exceed 5 feet (152 centimetres) in length; and/or
 - c. equal or exceed a total overall Package size of 165 inches (419 centimetres) (calculated as follows: length + 2 x width + 2 x height); and
- (iv) items which, due to their nature (size, shape, packaging, contents), are deemed by Purolator, in its sole discretion, to be unsuitable for sorting and/or handling using Purolator's automated systems (e.g., ball bearings, nuts, bolts and fasteners, liquids, wooden or metal crates, etc.).

The payment of Special Handling Charges in respect of a particular Shipment will in no way affect Purolator's maximum liability stated in these Terms and Conditions or the classification of a Shipment as being "At Shipper's Risk".

Signature Not Required

Receivers that do not require a signed proof of delivery may elect to waive same in relation to one or all future Shipments destined to

their delivery address by signing up for Purolator's Signature Not Required ("SNR") service. When SNR service is elected, Purolator may leave Shipments at the delivery address covered by the SNR election unattended and without obtaining a proof of delivery signature. The Shipper of any Shipment delivered SNR and the Receiver of such Shipment (if different from the Customer that elected the SNR service) are bound by the liability release in favour of Purolator contained in the SNR election. For greater certainty, the Shipper and the Receiver release and indemnify, on a joint and several basis, Purolator from and against any claims or liability resulting from the delivery of a SNR Shipment. This service is only available for delivery addresses in Canada (see also "Driver Release").

Origin Signature Not Required

Shippers that do not require a signed proof of delivery may elect to waive same in relation to any Shipment sent by electing to use Purolator's Origin Signature Not Required ("O-SNR") service. A Customer electing O-SNR service must provide Purolator with authorization (written or electronic) to leave the Shipment(s) without obtaining a proof of delivery signature and apply an O-SNR sticker to each Package of the Shipment before tendering same to Purolator.

For Shipments prepared using Purolator E-Ship Online or Purolator E-Ship Server and destined to a Residential Area, such Shipments shall default as O-SNR Shipments (and shall be subject to the Residential Delivery Service charge) unless the Residential Signature Required option is selected (in which case the Residential Signature Required charge shall apply). For all other Shipments destined to a Residential Area, such Shipments shall default as Residential Signature Required (and shall be subject to the Residential Signature Required charge) unless O-SNR is selected and such O-SNR selection is evidenced on the Shipment label (in which case the Residential Delivery Service charge shall apply).

When delivering an O-SNR Shipment, Purolator's delivery driver may leave the Shipment at the delivery address unattended and without obtaining a proof of delivery signature. The Receiver of any Shipment delivered O-SNR is bound by the liability release in favour of Purolator provided by the Shipper choosing to send the Shipment on an O-SNR basis. For greater certainty, the Shipper and the Receiver release and indemnify, on a joint and several basis, Purolator from and against any claims resulting from the delivery of an O-SNR Shipment. This service is only available for delivery addresses in Canada.

In circumstances where the delivery driver is of the opinion that the Shipment will be at risk of loss or damage if left SNR or O-SNR, the delivery driver may follow Purolator's delivery release process by electing (in his/her own discretion) not to leave the Shipment

Terms and Conditions of Service

without obtaining a proof of delivery signature notwithstanding the SNR or O-SNR election that has been made. In such cases, the Shipment shall be treated as a Hold For Pickup (see "Hold for Pickup"), including, for greater certainty, the identification requirements described therein.

U.S. and International Shipments, Dangerous Goods Shipments, Purolator Express Evening Shipments, *Purolator Ground* Evening Shipments, *ExpressCheque* Shipments and COS Shipments are not eligible for SNR or O-SNR delivery (see also "Driver Release").

Hold For Pickup

For Shipments destined to Canadian locations only, Shippers may request that a Shipment be held at the authorized Purolator location(s) in respect of the Receiver's address for in-person pickup in place of having the Shipment delivered to the delivery address indicated on the Bill of Lading by affixing a "hold for pickup" sticker on the Shipment. Purolator will notify the Receiver by telephone when the Shipment is available for pickup. Alternatively, where a Receiver is not available to accept a delivery attempted by Purolator in person, the Receiver may arrange for the Shipment to be held at Purolator's delivery depot for in-person pickup. Shipments held for pickup will be held at the delivery terminal for a period of at least five business days. If the Receiver fails to pick the Shipment up during this time, Purolator may return the Shipment to the Shipper at the Shipper's expense.

When picking up a hold for pickup Shipment, the Receiver must provide a piece of government issued photo identification, or, in the case of Shipments addressed to companies, a letter of authorization printed on the receiving company's letterhead. Where the Receiver authorizes a third party to pick up the Shipment on their behalf, the person picking up the Shipment must have a signed and dated letter referencing the Shipment's package identification number from the Receiver authorizing Purolator to release the Shipment. In such circumstances, Purolator reserves the right to record the recipient's identification particulars. Purolator may release a Shipment to a person that is not the Receiver without a letter of authorization provided that the government issued photo identification shown indicates that they live at the same address as the Receiver. Notwithstanding the foregoing, Purolator may, in its sole discretion, refuse to release a Shipment to anyone other than the Receiver of the Shipment named on the Bill of Lading.

When picking up a hold for pickup Shipment that was sent "Collect" or "Third Party Payment", the Receiver (or authorized third party) will be required to pay all Shipment charges at the time of pickup if they do not have a valid Purolator account number.

Rate Application

Rates

Purolator's Product Rate and applicable Additional Charges apply to all products and services provided by Purolator. Purolator reserves the right to make additions, deletions or modifications to such rates and charges at any time.

Purolator reserves the right to charge for any Shipment based on the greater of:

- (i) the weight declared by the Customer on the Bill of Lading;
- (ii) the actual weight of the Shipment determined by Purolator (see "Right to Reweigh Shipments" below); and
- (iii) the cubed weight of the Shipment (see "Cubing/Low Density Shipments" below).

Rate Quotes

Purolator will provide a rate quote upon request by telephone at 1 888 SHIP-123, in person at a Purolator Shipping Centre or online when preparing a Shipment using one of Purolator's Automated Shipping Systems. Any such rate quote is subject to Additional Charges incurred after tendering the Shipment, which may include, without limitation, special handling and other administrative charges and/or adjustments made to a Shipment's weight as a result of Purolator's right to reweigh or cube Shipments.

Taxes

Purolator's Product Rates and Additional Charges do not include applicable taxes. The Customer shall pay to Purolator any and all applicable taxes imposed with respect to the products and services provided, whether characterized as goods and services tax, sales tax, value added tax, business transfer tax or otherwise (hereinafter referred to as "Taxes") so that Purolator is fully reimbursed by the Customer as required by law.

Duties and Brokerage Fees

Purolator's Product Rates and Additional Charges do not include applicable duties or brokerage fees. The Customer shall pay to Purolator's designated customs broker or Customer's own customs broker, as applicable, any and all brokerage fees, surcharges, customs, duties and Taxes (hereinafter referred to as "Brokerage Fees") related to Shipments tendered to Purolator by the Customer and agrees to indemnify Purolator against any claims or liabilities for unpaid Brokerage Fees.

Administrative Charges

Address Correction

An additional charge will be applied where the Receiver's address is incorrect, incomplete or illegible.

Missing/Invalid Account Number

An additional charge will be applied where no account number appears or the Shipper inserts an incorrect account number on the Bill of Lading.

Manual Shipping

An additional charge will be applied if a Customer uses a manual Bill of Lading for a Shipment or if the Bill of Lading must be manually processed by Purolator (e.g., in the case of manifests).

Collect

An additional charge will be applied when the Receiver pays the rates or charges of a Shipment.

Third Party

An additional charge will be applied when a third party pays the rates or charges of a Shipment.

Proof of Delivery

Unless otherwise set out herein, Purolator will provide electronic Proof of Delivery (POD), where available, to Customers at no charge. Electronic POD's may be obtained: (i) through Purolator's website, www.purolator.com; (ii) from either of the following e-mail addresses: track@purolator.com or PODtrack@purolator.com; (iii) through Purolator's Automated Shipping Systems; or (iv) by calling 1 888 SHIP-123. An additional charge will be applied if Customer requests and is provided with a hard copy proof of delivery.

Rebilling

An additional charge will be applied where the original invoice was billed as requested and Customer requests a change to the invoice.

Credit Card Retrieval

Purolator will provide back up in respect of credit card transactions for 6 months from the payment date free of charge. After 6 months, a fee may apply.

Other

Purolator reserves the right to discontinue, apply new, or modify existing, administrative charges at any time and from time to time.

Shipping Charges

Fuel Surcharge

Purolator's fuel surcharge for courier services is set monthly based upon the four week average price of regular unleaded gasoline calculated by Purolator using the weekly average prices reported by MJ Ervin and Associates Inc. (a company that monitors fuel prices across Canada). Changes are effective the first Monday of each month and appear at www.purolator.com approximately 2 weeks prior to the effective date.

The fuel surcharge applies to all courier Shipments tendered to Purolator regardless of destination or mode of transport and is applied to the sum of the Product Rate, special handling charges, *ExpressCheque* charges and beyond point charges. Other Additional Charges and Taxes are excluded from the calculation. For additional information about Purolator's fuel surcharge, visit www.purolator.com/dbwp/fuel_surcharge.html.

Beyond Point

An additional charge will be applied where the origin or destination point is deemed by Purolator to be remote or is not serviced directly by Purolator. Please call 1 888 SHIP-123 for details.

Residential Delivery Service

An additional charge will be applied where the destination point is located in a Residential Area. This charge shall not apply in respect of *Purolator Express Evening* or *Purolator Ground Evening* Shipments.

If the Shipper requires a signature where the destination point is located in a Residential Area, a Residential Signature Required charge may apply instead of the Residential Delivery Service charge (see "Origin Signature Not Required" for rules clarifying when either O-SNR or Residential Signature Required is the default for Shipments destined to a Residential Area). Please note that if the Receiver has elected SNR service, such SNR service shall override the Shipper's request for a signature and Shipper will, upon request within 45 days after acceptance by Purolator of the Shipment for carriage, be reimbursed for the difference between the Residential Signature Required charge paid by the Shipper (if any) and the Residential Delivery Service charge that would have otherwise been payable in respect of such Shipment. If the Residential Signature Required charge is less than the Residential Delivery Service charge that would have otherwise been payable in respect of such Shipment, the Shipper shall not receive any reimbursement. Please call 1 888 SHIP-123 for details.

Multipiece™

An additional charge will be applied where a Shipment is comprised of 5 or more Packages. Such charge shall be calculated as follows: (# of Packages in Shipment – 4) x (3.0%) x (applicable Product Rate). This charge shall not apply in respect of Purolator Ground Distribution Shipments. Please call 1 888 SHIP-123 for details.

Other

Purolator reserves the right to discontinue, apply new, or modify existing, shipping charges at any time and from time to time.

Tendering Shipments to Purolator

Customer Representation and Warranty

The Customer represents and warrants that (i) the Shipment will be properly described on the face of the Bill of Lading and any accompanying documentation; and (ii) where the Customer generates a Bill of Lading for a Shipment using an Automated Shipping System, unless Customer cancels the Shipment/Bill of Lading, Customer will tender a Shipment to Purolator bearing such Bill of Lading. The Customer further warrants that the Shipment:

- (i) will be acceptable for transport;
- (ii) will not consist of "Prohibited Shipments";
- (iii) will comply with Purolator's "Shipping Restrictions";
- (iv) will be accurately described on the Bill of Lading and any accompanying documentation; and
- (v) will be properly marked, addressed and packaged to ensure safe transportation in accordance with Purolator's ordinary care in handling and in accordance with all applicable legislation, including without limitation, the Transportation of Dangerous Goods Act and the Regulations thereto and the Technical Instructions published by the International Civil Aviation Organization.

Unless otherwise indicated, in respect of any Shipment, the consignor's (Shipper's) name and address is the sender's name and address indicated on the Bill of Lading, and the latter is the place of execution and the place of departure; the consignee's (Receiver's) name and address is the receiver's name and address indicated on the Bill of Lading, and the latter is the place of destination; and the date indicated on the Bill of Lading is the date of such Bill of Lading's execution.

Right of Inspection

Purolator reserves the right to open and inspect any Shipment tendered for transportation.

Right to Refuse Shipments

Purolator reserves the right to refuse any Shipment which, in the sole judgement of Purolator, may soil, taint, or otherwise damage other merchandise or equipment, or which is economically or operationally impractical to transport, or which is improperly packed or wrapped. For further information on packaging requirements see "Shipment Acceptance Policy".

Right to Reweigh Shipments

Purolator reserves the right to reweigh Shipments, notwithstanding that a weight has been declared on the Bill of Lading. Reweighing is

done on government-approved scales. In the event that the Customer fails to declare a weight on the Bill of Lading and Purolator does not reweigh the Shipment, Purolator reserves the right to ascribe to any such Shipment an average Shipment weight. The Customer acknowledges that charges based on the weight determined or ascribed by Purolator shall be levied and Customer agrees to pay same.

Customs Clearance

By tendering an export non-Purolator Ground Shipment, the Shipper appoints Purolator's designated customs broker (as determined by Purolator from time to time) to provide customs clearance services to the Shipper. The foregoing appointment is non-revocable.

Proper Labeling

Each Shipment or Package must display a Purolator or Purolator approved Bar Coded Parcel Identification Number (PIN) and a properly secured and completed address label, as follows:

(i) The address label must display the Shipper's and Receiver's full addresses including postal code and phone number with area code (post office box addresses are not permitted for destinations located in Canada or the U.S.). In addition to the above information, the address label must contain the following:

- Customer account number (if applicable)
- Service option selected
- Billing instructions
- Number of Packages
- Shipment weight
- Declared value (for Purolator liability purposes) – optional
- Date and signature

(ii) The address label must be securely fastened to the top of each Shipment or Packages. String or wire tags are not acceptable. Improper labelling may result in the Shipment being delayed or lost. It is strongly recommended that a duplicate label be attached to an inner flap of each Shipment or Package;

(iii) Address labels must be flat with all Purolator bar codes visible. Labels should not be wrinkled, creased, folded or placed on the Shipment in a manner that may make them difficult to scan and/or read (e.g., on box corners or uneven surfaces or seams);

(iv) All previous delivery address labels and markings must be covered or removed;

(v) A Shipment consisting of more than one Package must have each Package individually numbered. If a Shipment consists of three Packages, for example, the Packages would be marked 1 of 3, 2 of 3 and 3 of 3. This numbering of Packages is in addition to the requirement that each Package of the Shipment displays a unique PIN and full delivery address;

(vi) Orientation “up” arrows must be located on either both sides or ends of Shipments containing liquids or fragile items;

(vii) Liquid packs must be labelled “LIQUID”. Glass or ceramic products must be labelled “GLASS”;

(viii) Items weighing in excess of 70 lbs must be labelled as “Heavyweight”;

(ix) Maximum of 4 Packages per Shipment when using a manual Bill of Lading.

Use of Personal Information

In the event that a Bill of Lading affixed to a Shipment tendered by Customer to Purolator contains personal information

(i.e., information about an identifiable individual) Purolator shall:

(i) limit its use, disclosure and retention of the personal information to that reasonably required to effect delivery of the Shipment; and

(ii) use commercially reasonable efforts to safeguard the personal information while it is in its possession or under its control.

Customer shall, prior to Purolator receiving the personal information, obtain any consent that may be required from any individual in respect of Purolator’s collection, use or disclosure of the personal information as described above.

Customer Shipping Systems, Generated Labels, Bar Codes and Manifests

Purolator requires that Customers use Purolator’s shipping systems, standard bar code and manifest bill of lading to eliminate billing, tracking and service failures. Customers may request, and Purolator may agree, in its sole discretion, to allow a Customer to use its own (or a third party provider’s) labels, bar codes, and manifests generated in a form, and on shipping systems, approved in advance by Purolator pursuant to the applicable Purolator certification program. Customers using their own shipping system and/or own form of label, bar code and manifest agree:

(i) to comply with the obligations set out in the Purolator certification program, including but not limited to the design and specification requirements and updates;

(ii) that Customer is granted a non-exclusive, non-transferable, royalty free license to use the intellectual property provided by Purolator in Customer’s own shipping system, labels, bar codes and manifests. The Customer will not, under any circumstances, sub-license, sell, loan, lease, assign, convey, encumber or otherwise transfer the intellectual property provided by Purolator. Purolator reserves the right to revoke such license immediately upon notice to Customer;

(iii) to seek Purolator’s approval for any proposed changes to the shipping system, label, bar code and manifest;

(iv) that, if the Customer does not comply with the requirements set out in the certification program and these Terms and Conditions, Purolator may, in its sole discretion, cease providing services and/or revoke certification; and

(v) to release and discharge Purolator from, and indemnify Purolator against, all claims, actions, demands, losses or damages arising or resulting from such Customer’s failure to comply with the requirements set out in the certification program and these Terms and Conditions.

Customer agrees that all Shipments tendered to Purolator bearing Customer’s own (or a third party provider’s) label, bar code and manifest are governed by these Terms and Conditions (as amended from time-to-time), the terms and conditions contained in any Purolator Bill of Lading as though such terms and conditions appeared on Customer’s own (or a third party provider’s) label, bar code and manifest, and applicable law. Purolator shall not be liable for any loss or damage incurred or suffered by Customer as a result of the use of a third party provider’s shipping system, labels, bar codes and manifests where such third party provider is not in compliance with its obligations under the Purolator certification program.

Customer own (or third party provider’s) electronic manifests must be successfully transmitted to Purolator no later than the day following pickup of the Shipment by Purolator. Where the electronic manifest is not received in time, Purolator may, in its sole discretion, cease providing services or elect to use alternate methods of billing for the Shipment and apply any applicable administrative charges incurred to alternate the billing method.

Service Stickers

Customers should indicate the desired choice of service (i.e., EXPRESS (“Air” on manual Bills of Lading) or GROUND) on the Bill of Lading and apply an AIR sticker, if required, beside the Bill of Lading. Most Purolator Express Shipments to destinations within Canada that go beyond an approximate radius of 500 miles (800 km) from their originating address require an AIR sticker.

Cubing/Low Density Shipments

All charges are based on a minimum density of:

- 15 lbs per cubic foot (6.804 kgs per .0283 cubic metres) for *Purolator Express* Shipments that travel via Purolator’s air network; or
- 10 lbs per cubic foot (4.562 kgs per .0283 cubic metres) for *Purolator Ground* Shipments and *Purolator Express* Shipments that do not travel via Purolator’s air network).

Purolator reserves the right to cube Shipments, notwithstanding that a weight has been declared on the Bill of Lading. In the event

Terms and Conditions of Service

that the cubed weight of a Shipment exceeds the actual and declared weights of a Shipment, the Product Rate will be amended based on such cubed weight (where such weight is rounded up to the nearest whole number). Customer's invoice will indicate the cube factor that has been applied.

Charges for low-density Shipments will be calculated at the appropriate density rate per cubic foot. The formula to be used in calculating the cubed weight of each Package in the Shipment is as follows:

$$\begin{aligned} \text{Dimensional weight} &= \frac{\text{length} \times \text{width} \times \text{height}}{1728} \\ \text{(in inches)} & \\ \text{Metric equivalent} &= \frac{\text{length} \times \text{width} \times \text{height}}{28,316} \end{aligned}$$

- X 15 lbs (for Shipments that travel via Purolator's air network), or
- X 10 lbs (for Shipments that do not travel via Purolator's air network)

Heavy Weight Service

Purolator may accept Packages that weigh more than 70 lbs, provided that Heavy Weight Service has been pre-arranged by calling 1 888 SHIP-123. Heavy Weight Service Shipments are not eligible for Purolator's delivery guarantees. It is the Shipper's responsibility to advise the Receiver that a Heavy Weight Shipment will require assistance at the receiving end to effect delivery. (Please Note: Special Handling charges may apply over 70 lbs - see "Special Handling")

Shipping Restrictions

- (i) Purolator does not offer collect Shipment services for destined to the U.S. or other international destinations.
- (ii) Purolator does not provide service to post office boxes.
- (iii) Fragile items such as glass and ceramics are not compatible with Purolator's high speed sorting and handling process. Any Shipment accepted into Purolator's distribution system that contains fragile items must travel at Shipper's risk (see "At Shipper's Risk").
- (iv) Purolator does not accept any Shipment prohibited by law.
- (v) Except by special arrangement, Purolator does not provide temperature-controlled services. Any Shipments requiring temperature control that are accepted into the Purolator distribution system must travel at shipper's risk (see "At Shipper's Risk"). Shipments not packaged and/or tendered in accordance with these Terms and Conditions must travel at shipper's risk (see "At Shipper's Risk").

At Shipper's Risk

The following Shipments are not well suited to Purolator's

distribution and sorting systems and are therefore subject to a high risk of damage. For this reason, these Shipments will be accepted for carriage, but only at Shipper's risk (i.e., Purolator will not have any liability for these Shipments and will not accept any claims for loss, damage or delay of these Shipments):

- (i) Glass, china, crystal, pottery, ceramics and other similarly fragile items;
- (ii) Collectors' items;
- (iii) Liquids;
- (iv) Precious metals;
- (v) Items requiring temperature control;
- (vi) Confectionery products such as potato chips, chocolate, pastries and baked goods;
- (vii) Perishables;
- (viii) Unpackaged items;
- (ix) Privately packaged items (e.g., items not in manufacturer's original packaging);
- (x) Items not packaged in accordance with Purolator's Shipment Acceptance Policy;
- (xi) Artwork;
- (xii) Antiques;
- (xiii) Jewelry;
- (xiv) Seeds; and
- (xv) Those items that are prohibited but which are tendered to Purolator and accepted for carriage.

"At Shipper's Risk" Shipments accepted into Purolator's distribution system must travel on a "no-value" basis (i.e., Customer cannot increase Purolator's liability by declaring a value for the Shipment on the face of the Bill of Lading, or, in the case of Shipments tendered via Automated Shipping Systems, in the designated user entry field).

Prohibited Shipments

Destinations Within Canada

Purolator will not accept the following items for shipping within Canada:

- (i) Human remains in any form.
- (ii) Live animals, birds or insects.
- (iii) Live plants or cut flowers.
- (iv) Currency (including cash or coins) or other securities negotiable without endorsement such as bearer bonds, gift certificates, etc.

- (v) Fish, seafood, or meat (fresh or frozen).
- (vi) Tobacco or alcohol, inter-provincial (i.e., across provincial boundaries).
- (vii) Firearms or weapons of any kind (including parts thereof).
- (viii) Dangerous Goods included in the following classes and/or divisions: Class 1 (except Class 1.4S and certain Class 1.4G items); Class 2.3; Class 5.2 and Regulated Wastes and any Dangerous Goods which are not prepared in accordance with the "Transportation of Dangerous Goods Act" and its regulations (as applicable) and/or the "ICAO Technical Instructions for the Safe Transport of Goods by Air".
- (ix) Drugs prohibited by law.

U.S. & International Destinations

The following items in addition to those listed above under the heading "Prohibited Shipments-Destinations Within Canada" will not be accepted for shipping to, from or within U.S. and international points:

- (i) Animal products (non-domesticated).
- (ii) Gem stones.
- (iii) Industrial diamonds.
- (iv) Ivory.
- (v) Unset precious stones.
- (vi) Personal Effects and Unaccompanied Baggage shipped to any country except the United States.
- (vii) Any Package having a value of more than \$50,000.
- (viii) Any Shipment that, in Purolator's judgment, could cause damage or delay to equipment, personnel, or other Shipments.
- (ix) Other prohibited items that vary by country. For further information, call 1 888 SHIP-123.

The following items will not be accepted for shipping to, from or within U.S. and international points unless Customer has received pre-approval from Purolator:

- (i) Biological Substances Category B.
- (ii) Dangerous Goods (see "Dangerous Goods" above).
- (iii) Diagnostic specimens.
- (iv) Dry Ice (except when shipped via Purolator Ground).
- (v) Furs.

Except in the case where the article is prohibited for shipping (as noted), the articles listed immediately above require pre-approval to be shipped with Purolator. Pre-approval is defined as Purolator's written consent, as evidenced by an agreement setting out the

pre-approval article(s) to be transported, which is signed by authorized representatives of Purolator and the Shipper.

The option of a declared value for a Shipment is not available in respect of the Shipment of any of the pre-approval articles set out above. Shipments containing pre-approval articles are transported "At Shipper's Risk", including without limitation for delay, loss, theft or damage. For more information, call 1 888 SHIP-123.

Right to Use Agents and Subcontractors

Purolator reserves the right to use agents and subcontractors in the performance of its services. Any exercise by Purolator of this right shall in no way affect the maximum liability of Purolator stated in these Terms and Conditions (see "Maximum Liability"). Where agents or subcontractors are used, more restrictive size and weight limitations than those set out herein may apply (see "Shipment Acceptance Policy").

Right to Use Alternate Modes of Transportation

Purolator reserves the right to substitute alternate modes of transportation for that selected by the Customer. In the event the Customer fails to indicate a mode of transportation on the Bill of Lading, Purolator reserves the right to transport the Shipment by the fastest mode of transportation available and Customer acknowledges that charges based on such mode of transportation shall be levied and agrees to pay same. Any exercise by Purolator of these rights shall in no way affect the maximum liability of Purolator stated in these Terms and Conditions (see "Maximum Liability").

Shipment Acceptance Policy

Exterior Packaging

(i) Defect-Free Carton

A defect-free carton maintains the original rigidity of its corrugated sidewalls. The carton's corner seals and flaps must remain intact. Carton defects include punctures, tears, rips or corner damage, each of which reduces the carton's structural integrity.

(ii) Defect-Free Carton Closure

Masking or cellophane tapes will not supply the strength necessary to secure Shipments travelling through Purolator's distribution system. The minimum acceptable tape is two inches wide for pressure-sensitive plastic tape. Water-activated or reinforced paper tape is not recommended. The use of string, rope, plastic straps or elastic bands on the outside of a Shipment is prohibited, as is the use of gift wrap or brown postal paper on the exterior of any Shipment.

Terms and Conditions of Service

(iii) Strength of Carton

The strength of the corrugated carton is a critical factor in a Shipments's ability to withstand the normal rigors of parcel handling and transportation. The carton's class stamp, printed on the bottom of the carton, designates the maximum allowable content weight and is shown as the last number at the bottom of the stamp. The weight of packaging and contents must not exceed 50% of this value.

(iv) Cans and Pails

Lid clips or lock rings must be used on all sizes of paint cans. Locking lids must be used on all sizes of pails.

Interior Packaging

The contents of a Shipment must be held firmly in place by the interior (internal) packaging system. Interior packaging must surround the product and prevent movement within the carton to protect carton contents from normal external forces such as the pressure exerted by the stacking of other Shipments on top of it. Sufficient internal packaging is especially important for light, fragile Shipments.

Size Limitations

Intra-Canada

Purolator Express Shipments travelling via Purolator's air network:

Max. length: 96 inches (244 centimetres)

Max. size: 144 inches (366 centimetres)

Purolator Ground Shipments and *Purolator Express* Shipments not travelling via Purolator's air network:

Max. length: 120 inches (305 centimetres)

Max. size: 216 inches (549 centimetres)

Between Canada and International Destinations (including U.S.)

All Shipments:

Max. length: 108 inches (274 centimetres)

Max. size: 165 inches (419 centimetres)

Max. weight per Package: 150 lbs (68 kgs)

Max. weight per Shipment: Unlimited

Max. size is calculated as follows:

length + 2 x height + 2 x width

Please note for all origins/destinations: Special Handling may apply (see "Special Handling"). Where agents or subcontractors are used, more restrictive size and weight limitations than those set out above may apply. Please call 1 888 SHIP-123 for details.

Unpackaged Goods

Unpackaged goods (i.e., goods that are not protected by a rigid

shipping container such as a corrugated box, plastic tote, or wooden crate, etc.) are subject to Special Handling Charges and are only accepted for shipping once Purolator is satisfied that they do not pose any hazard to Purolator staff, equipment and/or other Shipments.

Delivery of Shipments

Delivery

Purolator will deliver the Shipment to the delivery address (or applicable shipping agent locations, where shipping agents are used) indicated on the Bill of Lading. Purolator is not required to deliver the Shipment to any particular person, whether or not specifically identified on the Bill of Lading. The Receiver of any Shipment is deemed to appoint the individual that signs for the Receiver's Shipment on delivery as the Receiver's agent to accept delivery on the Receiver's behalf. Purolator reserves the right to withhold delivery of a Shipment and/or return the Shipment to the Shipper (at the Shipper's expense) if a proof of delivery signature cannot be obtained from an individual that appears to Purolator's driver to be over the age of 12. If Purolator is unable to complete delivery of the Shipment (after at least one attempt), a notice of delivery will be left at the delivery address setting out instructions for the Receiver to pickup the Shipment.

Driver Release (U.S. and International only)

At the discretion of Purolator (or its agents), a Shipment may be left at a private residence without obtaining a signature. If a signature is required on a Shipment, or Purolator (or its agents) is otherwise unable to "release" a Shipment, it may be delivered to a neighbouring address and Purolator (or its agent) will obtain a signature from the neighbour when completing an indirect delivery. The Shipper and the Receiver of a Shipment release and indemnify, on a joint and several basis, Purolator from and against any claims resulting from a Driver Release of such Shipment.

Undeliverable Shipments

Shipments that cannot be delivered for any reason, including, without limitation, errors or omissions on the Bill of Lading, refusal by the Receiver or failure of the Receiver to pickup a Shipment being held for pickup, will be returned to the Shipper at Shipper's expense.

Unclaimed Freight

Purolator reserves the right to sell or destroy unclaimed freight that: (i) in the case of general freight, has been in its possession for 120 days or more; or (ii) in the case of specialized freight (e.g., perishable

or costly to store), has been in its possession for 30 days or more. Unclaimed freight includes freight that is unmarked or that has been refused by the Shipper and the Receiver. For greater certainty, Purolator's maximum liability in respect of any freight disposed of shall be the maximum liability stated in these Terms and Conditions under "Maximum Liability".

Billing, Payment and Liability Information

Payment

Non-Account Customers shall pay for courier services at the time services are requested or, if Purolator invoices Customer, in accordance with the terms of the applicable invoice. Account Customers shall pay for courier services within 14 calendar days from the date of invoice or in accordance with their Courier Services Agreement. In the event the Customer fails to pay an invoice in full, when due, interest may be charged at the rate of 1.5% per month (with an effective rate of 19.6% per annum), on all outstanding amounts. This is in addition to any other legal rights and remedies available to Purolator.

Shipper Payment Guarantee

The Shipper agrees to pay Purolator the Product Rate and all Additional Charges (including, without limitation, all Taxes) in the event the Receiver, on a collect Shipment, or third party, on a third party billing Shipment, refuses to pay Purolator.

The Shipper agrees to pay Purolator's designated customs broker or Shipper's own customs broker, as applicable, all Brokerage Fees in the event the Receiver, on a collect Shipment, or third party, on a third party billing Shipment, refuses to pay Purolator's designated customs broker or Shipper's own customs broker, as applicable. Where a Shipment is undeliverable (including where the Receiver refuses to accept delivery of the Shipment for any reason), the Shipper agrees to pay all charges incurred in delivery attempt and the return of such Shipment to the Shipper (including, without limitation, all Taxes and Brokerage Fees, as set out above).

Invoice Discrepancies

Customers should call the number on their invoice to report invoice discrepancies. Invoice/billing discrepancies must be brought to Purolator's attention within 90 days of the date of invoicing following which time such invoices will be deemed accepted by Customer.

Liability of Purolator

Maximum Liability

THE AMOUNT OF ANY LOSS OR DAMAGE FOR WHICH PUROLATOR MAY BE LIABLE, WHETHER OR NOT THE LOSS OR DAMAGE RESULTS FROM NEGLIGENCE, GROSS NEGLIGENCE OR A FAILURE TO PERFORM THE CONTRACT, SHALL NOT EXCEED CDN \$4.41 PER KILOGRAM (OR CDN \$2.00 PER POUND) COMPUTED ON THE TOTAL WEIGHT OF THE SHIPMENT, UNLESS A VALUE (FOR PUROLATOR LIABILITY PURPOSES) IS DECLARED IN THE APPROPRIATE BOX ON THE FACE OF THE BILL OF LADING, OR, IN THE CASE OF SHIPMENTS TENDERED VIA AUTOMATED SHIPPING SYSTEMS, IN THE APPROPRIATE USER ENTRY FIELD, AND THE APPLICABLE SURCHARGE IS PAID, IN WHICH CASE PUROLATOR'S MAXIMUM LIABILITY SHALL BE THE AMOUNT OF THE DECLARED VALUE. THE MAXIMUM VALUE THAT MAY BE DECLARED (FOR PUROLATOR LIABILITY PURPOSES) IN RESPECT OF ANY SHIPMENT IS CDN \$5,000.00. THE PORTION OF ANY DECLARED VALUE IN EXCESS OF CDN \$5,000.00 IS VOID AND OF NO FORCE OR EFFECT. OTHER LIMITATIONS ON LIABILITY MAY APPLY IF THE SHIPMENT IS GOVERNED BY THE CONVENTION (SEE "APPLICABLE LAW").

THE CUSTOMER AGREES AS A SPECIAL AGREEMENT WITH RESPECT TO ALL SHIPMENTS THAT, REGARDLESS OF WHETHER OR NOT THE CONVENTION APPLIES AND NOTWITHSTANDING ANY DISCLOSURE OF THE NATURE OR VALUE OF THE GOODS, THE AMOUNT OF ANY LOSS OR DAMAGE, INCLUDING, WITHOUT LIMITATION, LOSS OF EARNINGS OR PROFITS, RESULTING IN ANY MANNER, WHETHER OR NOT FROM NEGLIGENCE OR GROSS NEGLIGENCE, FROM LOSS OF OR DAMAGE TO THE GOODS AND/OR MISDELIVERY, FAILURE TO DELIVER OR DELAY IN DELIVERY OF THE GOODS, FOR WHICH PUROLATOR MAY BE LIABLE TO THE CUSTOMER/SHIPPER, OWNER, RECEIVER AND/OR ANY THIRD PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, SHALL IN NO EVENT EXCEED THE MAXIMUM LIABILITY OF PUROLATOR SET OUT ABOVE. UNDER NO CIRCUMSTANCES SHALL PUROLATOR BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES.

Delay

Purolator is not responsible for the consequences (direct or indirect) of a failure to deliver a Shipment by a stipulated time.

Events Beyond Purolator's Control

Purolator shall not be liable to refund or credit transportation charges, or for any loss, damage, delay, non-delivery, misdelivery or failure to deliver, caused by events beyond Purolator's control, including, but not limited to, any act, default or omission of the Shipper, owner, Receiver or any party having an interest in the Shipment, defects or inherent vice in the Shipment, inadequate or incorrect markings or address on the Bill of Lading, acts of God, perils of the air, weather conditions, mechanical delays, disruptions in air or ground transportation networks, acts of public enemies, public health crises, quarantine, war, strikes or other labour disruptions, terrorism, riots or civil commotion, acts of public authorities (including customs or health officials) with actual or apparent authority, customs clearance delays, import/export documentation deficiencies or Shipments requiring extraordinary handling, documentation or routing.

Loss of Personal Information

Purolator's liability for loss of personal information (i.e., information about an identifiable individual) contained in any Shipment is

Terms and Conditions of Service

limited in accordance with the limitations on liability contained in these Terms and Conditions (see “Maximum Liability”).

Claims

Refunds for Purolator Guarantees

To obtain a refund or credit where applicable in accordance with Purolator’s guarantee(s), Customers should call the telephone number on their invoice and be ready to provide their Bill of Lading number. Purolator must receive requests for refunds in respect of delivery guarantees within 45 calendar days after acceptance of the Shipment for carriage, failing which the guarantee shall be void.

Claims for Loss or Damage to Shipments

Purolator will not process any claim for loss of or damage to any Shipment unless notice thereof setting out the particulars of the origin, destination, package identification number, and date of Shipment of the goods and the estimated amount claimed in respect of such loss or damage is given to Purolator in writing within the following prescribed time limits, failing which Purolator will have no liability in respect of the Shipment. Purolator will not pay for a claim for the loss or damage to any Shipment unless all applicable transportation charges in respect of such Shipment have been paid.

Type of damage /loss Type of Shipment	Concealed damage	Damage evident upon delivery	Loss/Failure to deliver
All except international air Shipments	21 days from delivery	60 days from delivery	9 months from date of shipment
International air Shipments	14 days from delivery	14 days from delivery	90 days from date of shipment

In cases where the Convention does not apply, the final statement of claim must be filed within 9 months from the date of shipment together with a copy of the Bill of Lading. In cases where the Convention applies, the right to damages of any kind against Purolator shall be extinguished unless an action is brought within 2 years from the date on which the Shipment should have been delivered, or from the date on which carriage stopped.

The right to damages of any kind against Purolator shall be extinguished unless an action is brought within 2 years from the date on which the Shipment should have been delivered, or from the date on which carriage stopped.

Excluding refund requests made in respect of guaranteed products, all claims must be submitted in writing with the Bill of Lading number and supporting documentation to:

Purolator Courier Ltd.
National Claims Department
1234 Main Street, 7th Floor
Moncton, New Brunswick E1C 1H5
e-mail: claims@purolator.com
Facsimile: 1-800-447-6933

Call 1 888 SHIP-123 for further information on the options available for filing a claim and the supporting documentation required.

Damage Inspections

Purolator retains the right to inspect any Shipment that is the subject of a damage claim. If, at the time the damage claim is submitted, Purolator requests that the Customer retain the Shipment and packaging for inspection, the Customer shall retain the Shipment and packaging for inspection by Purolator for a period of 30 days. Failure to retain the Shipment and packaging for inspection may result in the claim being denied.

Valuation of Claim for Loss or Damage

Regardless of the weight of the Shipment or any declared value for carriage entered on the Bill of Lading, Purolator’s maximum liability for loss of or damage to a Shipment shall not exceed the lesser of:

- (a) Purolator’s maximum liability set out in these Terms and Conditions; (b) the market value of the goods; (c) the original cost of the goods to the claimant; and (d) the cost of repairing the goods.

Applicable Law

The contract for the carriage of goods contained in the Bill of Lading shall be deemed to include, and be subject to, any prescribed conditions of carriage required by the law of the jurisdiction where the Shipment originates. The foregoing applies notwithstanding any “Governing Law” provision contained in any Courier Services Agreement.

To the extent that any provision contained or referred to in these Terms and Conditions or a Bill of Lading is invalid or unenforceable at law, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision so contained or referred to. If the carriage involves an ultimate destination or a stop in a country other than the country of departure, the Convention may apply and limit Purolator’s liability in respect of loss of, damage to or delay of cargo.

Purolator Courier Ltd.
Corporate Office
5995 Avebury Road
Mississauga, ON L5R 3T8
Canada

purolator.com
1 888 SHIP-123 (1 888 744-7123)



 ***Purolator***
Where business is going